

WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

STATE STRATEGIC PLAN
FOR WORKFORCE DEVELOPMENT

March 2000

State Strategic Plan for Workforce Development

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TOMORROW'S ECONOMY

Only The Skilled Will Be Well Paid

Washington's economy is robust, and the state's unemployment is the lowest it's been for decades. Job opportunities abound in the tight labor market, and employers are having a hard time finding qualified applicants. But making the most of this economy depends, in part, on where you live and the skills you have. While Washington's urban centers enjoy rising wages and low unemployment, many of our rural areas have stagnating wages and high unemployment. Even our low urban unemployment rates can be deceptive. Securing a job might be easy in our large cities, but securing a high paying one with benefits that is sustainable over time may not be. Many workers have not been provided the training they need to escape from low-paying, dead-end jobs. Washington's economy, moreover, is cyclical, and at some point in the future, another downturn will occur.

Our new economy is knowledge-based, and many of the fastest growing, best paying jobs are technical. The majority of family-wage jobs with benefits created in Washington will require postsecondary education; they won't, however, necessarily require a four-year degree.

The growing need for well educated workers has been fueled, in part, by profound changes in the workplace. During the 1990s, employers invested heavily in technology, especially information technology and high-performance work practices such as teaming and continuous improvement. These changes flourish only where there are highly skilled workers. If Washington wants its citizens to enjoy high paying jobs, it must prepare people to use current and emerging technologies and function effectively in high-performance workplaces.

Employers, however, report a severe shortage of job applicants with the skills required for the contemporary workplace. The state's workforce training and education system must prepare more workers with the kinds of skills employers are looking for. The training system must also assist in the continual retraining and upgrading of incumbent workers so that their skills stay up to date. Given the dramatic technological and structural changes buffeting our economy, we must do more to enable workers to make smooth employment transitions.

Economists stress that education and training are key ingredients to economic growth. According to Robert Lucas, Nobel Laureate in economics, "*The main engine of growth is the accumulation of human capital—of knowledge—and the main source of differences in living standards among nations is differences in human capital.*"¹ Education and training do not guarantee growth, but they are a necessary precondition.

Our willingness to invest in educating and training our people will influence the long-term rate of growth for Washington's economy. These investments will also help to address several critical challenges—reducing the scarcity of skilled workers, providing more of our population with the education and training required to achieve higher wages and benefits, and minimizing the extent of worker dislocation.

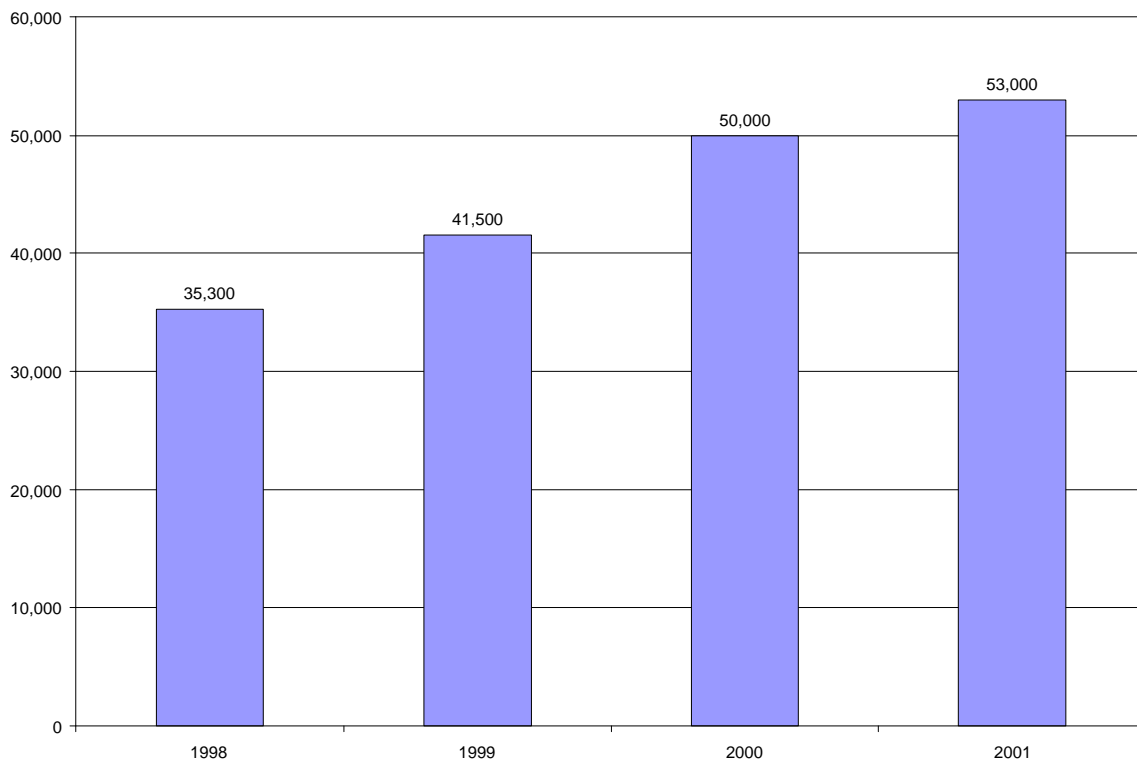
Good Opportunities in Washington's Traditional Industries are Shrinking

For years, Washington's resource-based economy was able to provide high paying jobs with benefits to workers with only a high school education. Our forests and factories provided a living wage to loggers and production workers. Now these traditional sources of high-wage work are either shrinking or have limited prospects for growth.

Our low unemployment rate can be misleading. The rise and fall of industries, coupled with profound technological changes within industries, have created a serious dislocated worker problem in our state. Consider two important examples—lumber and aerospace. The lumber and wood products industry, which employed 58,800 people in Washington in 1947, has shrunk to about 35,000 and will continue to decline due to supply limitations and technology changes in the mills.² Although the airlines have recovered from a prolonged period of low profitability and are ordering new jets, Boeing is committed to building those jets with fewer people in the future. Aerospace employment stood at 113,200 in June 1998, up from the recent low of 79,800 in 1995. But, in the future, employment will decline as Boeing implements cost control measures to compete with Airbus Industries and other potential foreign producers. By 2020, Washington's aerospace employment is expected to be about 87,500.³

Recent estimates suggest that the number of dislocated workers in the state has been increasing, despite the robustness of our economy. There were roughly 41,500 dislocated workers in 1999, and the number is expected to increase to 53,000 in 2001.

Estimated Number of Dislocated Workers in Washington



Source: Employment Security Department, 1999.

Another problem masked by the overall strength of our economy is the nature of the jobs being created. While forecasts suggest that job growth will remain strong over the next two decades, employment opportunities in manufacturing are expected to expand more slowly.⁴ Services and retail trade will account for much of the total increase in employment during the next two decades. Earnings in the service sector vary greatly. While many of the jobs in business services are high-wage with benefits, many of those in lodging and personal services are not. Twenty-eight percent of the jobs in retail trade are low-wage, paying less than \$6.50 an hour. Only agriculture has a higher percentage of jobs that are low-wage, 45 percent.⁵

No Boom in Rural Washington

Structural change has also exacerbated economic inequality across regions. Nowhere is the decline of resource-based jobs more keenly felt than in rural Washington. Whereas the state's unemployment rate hovers around 4 percent, much of rural Washington suffers from much higher unemployment. Eleven of our rural counties had unemployment rates in excess of 9 percent in 1998. The economies of these counties are both resource-based and labor-intensive.⁶

For decades, rural Washington was dependent on natural resource industries such as logging, fishing, and mining. These industries are not the job creators they once were. Agriculture is a major source of rural employment, but many jobs are seasonal and the agricultural economy is vulnerable to economic downturns in food importing countries. Unlike Washington's urban areas, our rural communities don't have diverse enough economies either to absorb hundreds, let alone thousands, of dislocated workers at the wage levels of their former jobs.

The Corporation for Enterprise Development recently rated Washington as having one of the highest urban/rural income disparities in the nation. These disparities define "The Two Washingtons." Median household income in the metropolitan Puget Sound counties ranged from \$45,000 to \$49,000 in 1998, and the percent of families in poverty ranged from 8.8 to 11 percent. In rural counties of Eastern Washington,⁷ however, the median household income was around \$30,000, and roughly 22 percent of families were below the poverty line.⁸

We must diversify the economic bases of rural communities, and policies have been proposed to further this goal—investment in rural infrastructure, grants for economic and land use planning, and tax incentives to encourage high-tech businesses to locate or expand in distressed counties. Workforce development policies are also critical; workers in these communities must have the skills required to attract and support new industries.

chart/map

Title: Poverty Rates by Region

Insert a map of Washington that gives poverty rates for regions across the state, based on data from the 1998 Washington State Population Survey.

Fostering Technology in Rural Communities

Grays Harbor and Pacific Counties have suffered high unemployment for over 20 years, spurring efforts to seek economic opportunities to replace lost timber jobs. Three years ago, the two counties joined with sixteen school districts, the Port of Grays Harbor, Grays Harbor Community College, and others to form the Community Education and Life-Long Learning Center (CELL), a learning center connected to the information highway with state-of-the-art equipment.

The CELL Center initiative resulted in a 10,000-square-foot facility at the Port, classes on computer applications and information management at the college and high schools, and an Office of Superintendent of Public Instruction-funded OC3 high-bandwidth connection to the Internet.

Recently, the CELL Center linked with the Safe Harbor Technology Corporation, a relatively new enterprise providing telephone and e-mail based technical support services. Because of new Internet technology, such services may be provided to customers at or from remote locations. Safe Harbor provides a model for new enterprise in stressed areas such as Grays Harbor.

By linking with the CELL Center, Safe Harbor is gaining access to the high-bandwidth Internet connection and to the Center's education infrastructure. By locating in Grays Harbor County, Safe Harbor gets access to highly skilled but dislocated workers who are accustomed to the around-the-clock shift work Safe Harbor will require.

Update: Safe Harbor had 48 employees as of September 1999, and they planned to hire 10 workers a month for the next 5 months.

Note: Additional information is being collected, and this sidebar will be expanded to describe the training that occurred and the resources that were required to achieve these results.

Scarcity of Skilled Workers and the Increasing Gap Between the Haves and Have-Nots

Starting in the mid-1970s income inequality in America worsened, and studies suggest that pervasive technological change is the culprit. Massive investments in new technologies have increased the demand for highly skilled workers in all sectors of the economy. Supply has not kept up with demand, and the earnings gap between more-educated and less-educated workers has widened dramatically.

Few occupations are escaping the technological changes driven by computers. Employees in nearly every field have learned new skills as they have incorporated computers into their jobs. Machine tool operators make parts using computer-controlled machines. Forklift operators in factories use computerized inventory locating devices. Cars, traffic lights, heating and cooling systems, hospitals, machine shops—all have become computerized. Washington's employers report that on average 45 percent of non-supervisory employees now use computers in their jobs.⁹

Employees must not only become familiar with new, highly sophisticated machines, they must learn and relearn whole new organizational processes associated with those machines. According to Kiichi Mochizuki, a former Japanese steel executive and head of the Pacific Institute Research Group:

“These days, with computerized factories and digitally controlled machines, mathematics are very important for factory operations. When you talk about skill—the word ‘skill’ is wrong: It implies manual dexterity to carve wood or hit something with a hammer. Now skill is mental rather than manual.”¹⁰

Even industries that perfected mass production using semiskilled workers have undergone transformation. Many U.S. manufacturers have reduced the number of supervisors in their factories and given workers greater responsibility for ensuring quality, redesigning manufacturing processes, and improving the products themselves. Many of these companies used to hire workers without a high school diploma. This is no longer the case. As the use of sophisticated technologies continues to grow in our nation's businesses, so also do the required educational levels of their workers.

These changes have widened the gap between well educated citizens with high incomes and lower skilled citizens struggling to maintain even a modest standard of living. For many Americans living standards and quality of life have deteriorated. Washington did not escape the national trend. Statewide, real average wages declined by 8.8 percent between 1979 and 1989. The trend reversed after 1989, but it was not until 1997 that real average wages fully recovered and rose above their 1979 level.¹¹

During the period of declining average earnings, it was the less educated workers that suffered the greatest losses. From 1979 to 1989, real wages for Washington workers without a high school education fell 27 percent.¹² The real wages of workers with a high school degree, but no postsecondary education, dropped 12 percent. Having a two- or four-year college education moderated the decline, but real wages still fell by 4 and 5 percent, respectively. In contrast, those with a professional or doctoral degree found their real wages increasing 18 percent. Real earnings have been increasing during the 1990s, and most workers appear to have benefited from the tighter labor markets. However, inequality has not declined. A recent study examining wages across income groups in Washington concluded that between 1990 and 1997 wages at all levels rose. The poor did benefit. However, the wealthy gained more, and wage inequality increased.¹³

Inequality has increased because growth in demand for highly skilled labor has outstripped supply. Greater investment in education and training could help to narrow the earnings gap. Consider Japan. Whereas the Japanese economy also experienced technological changes during the 1980s, earnings differentials across education groups grew much less than in the United States. Japan was able to curb the rise in inequality by more rapidly increasing the supply of highly educated workers. They also benefited from graduating high quality secondary school students who were well prepared for further training.¹⁴

Turning Productivity Around

One cause of stagnating incomes was stagnating productivity growth. Only by producing more high quality goods and services with lower production costs are we able to increase our standard of living. Productivity grew by an average of 2.6 percent per year from 1950 to 1972, underlying steady improvement in living standards. But it slowed to 1.1 percent from 1973 to 1995.¹⁵ Productivity has begun to increase again. It rose at an annual rate of 2.6 percent from 1996 through 1999.¹⁶

Can the recent turnaround in productivity growth be sustained? Proponents of the “New Economy” hypothesis think that it will. They argue that investments in computers, software, telecommunications, and other high-tech products will sustain rapid productivity growth. Others are less optimistic. Robert Gordon, an economist at Northwestern University, estimates that the recent turnaround in productivity is primarily due to the “explosion” of output and productivity growth in the small segment of the economy that produces computers.¹⁷

Broad-based gains will require that productivity improvements in the computer industry migrate to the rest of the economy.¹⁸ But to achieve the full benefit of technological advances, we need a skilled and educated workforce. According to a study sponsored by the Census Bureau, a 10 percent increase in the educational attainment of a company’s workforce results in an 8.6 percent increase in productivity.¹⁹ Investments in human capital must complement investments in new technologies.

In a Global Economy, Jobs Can Be Located Almost Anywhere

Washington’s businesses already know the advantages offered by a global economy. We sell our apples to Russia, our forest products to Japan, and our airplanes and software to the world. But as opportunities to sell to other countries have increased, so have other countries’ opportunities to make the very things we sell. And it’s not simply a case of using low-wage, unskilled labor to mass produce inexpensive standard products. Foreign countries are increasingly able to offer highly skilled alternatives to using American workers.

Russian lab technicians design and test products for Boeing in Moscow. In the spring of 1998, IBM opened a \$25 million global research unit in India. French and German production workers are now making computer chips for Motorola and Texas Instruments.²⁰

With advances in telecommunications, even complex service work can now be performed overseas. In the south India city of Bangalore, engineers provide on-line technical support for American programmers using Windows-based products. Microsoft is only one of several companies that is contracting for software services in India. Hewlett-Packard, 3M, Intel, and AT&T also use Indian workers for software services.²¹

The same technology that allows India, France, and Russia to work for United States companies can be used to create business opportunities in Washington. This is especially true for rural Washington with its remote access to population hubs. But, we must remain alert for opportunities—as distance matters less and less, a technologically educated and highly skilled workforce matters more and more.

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In the global economy, it is education, not location that determines the standard of living.—
Albert Hoser, CEO, Siemens Corporation

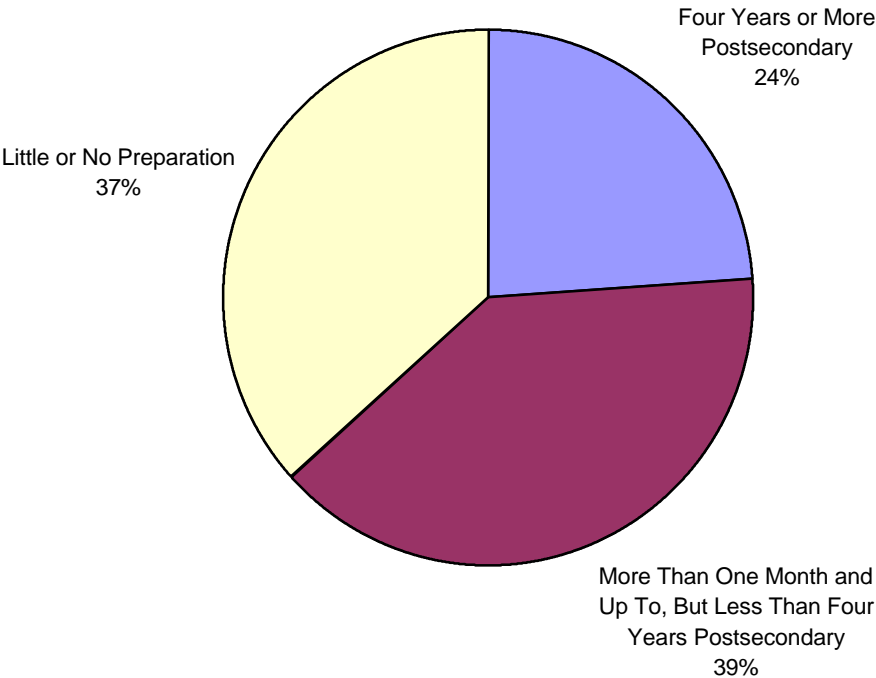
Where the Jobs Will Be in 2006

The economic future is not bright for workers entering jobs that typically require little or no training. There will be jobs, but not good ones. Consider occupations that require less than a high school education, a high school diploma, or up to but less than one month of postsecondary training. Although Washington's economy is expected to have more than 462,000 net job openings (i.e., new jobs due to growth and openings due to replacement) in these occupations between 1998 and 2008,²² these won't be the kinds of jobs that helped loggers and production workers prosper. They will be low-wage jobs serving food, cleaning offices, and unloading trucks; jobs that provide few opportunities for advancement and wage progression.

The greatest number of new family-wage job opportunities will be in occupations that require postsecondary education but not a *four-year degree*. Over the next decade, there will be approximately 496,000 job openings for technicians, paralegals, health care workers, salespeople, and other occupations that require more than one month and up to, but less than four years of postsecondary education. By comparison, there will be 302,000 job openings for teachers, engineers, lawyers, and other professionals who need a four-year degree.²³

The table on the next page provides examples of occupations that typically require more than one *year* and up to, but less than four years of postsecondary training. The table also lists the expected number of job openings over the next ten years for each of these occupations.

Training Levels Required for Expected Job Openings Between 1998 and 2008



**Top Occupations Requiring More Than One Year And Up To, But Less Than,
Four Years of Postsecondary Education**

1998-2008

	Number of Net Job Openings ¹	Wage Range ²	Median Annual Earnings
Marketing/Sales Supervisors	18,060	\$11.50—20.80	\$31,310
Carpenters	12,820	\$13.39—22.05	\$36,590
Clerical Supervisors	12,300	\$12.44—19.61	\$32,240
Registered Nurses	12,110	\$18.41—26.01	\$45,420
Paraprofessionals & Technicians, NEC³	11,220	\$14.42—25.05	\$39,690
Secretaries, Excluding Legal or Medical	10,930	\$10.33—14.71	\$25,730
Automotive Mechanics	9,980	\$10.68—17.88	\$29,340
Cooks, Restaurant	8,920	\$ 7.17—10.09	\$17,840
Service Supervisors, NEC³	8,820	\$10.07—15.89	\$26,070
Food Service & Lodging Managers	8,590	\$ 8.64—15.21	\$24,430
Teachers Aides, Paraprofessionals	7,460	\$ 9.06—11.16	\$21,140
Hairdressers & Hairstylists.....	6,370	\$ 6.02—10.38	\$16,140
Electricians	5,180	\$15.98—24.44	\$42,010
Dental Assistants	5,090	\$10.91—15.12	\$26,540
Health Professionals/ Paraprofessionals/Technicians, NEC³	4,440	\$11.94— 21.92	\$33,570
Licensed Practical Nurses	4,320	\$12.55—15.89	\$29,350
Police Patrol Officers	4,190	\$18.66—24.48	\$45,480
Medical Assistants.....	4,190	\$ 9.67—12.30	\$22,500
Computer Programmers	3,750	\$18.63—34.01	\$47,420

Source: Number of expected job openings is based on projections conducted by the Washington State Employment Security Department, 1999. Wage and earnings data are from the *Occupational Employment Statistics Survey* (4th quarter of 1998).

¹ Job openings include both new jobs due to growth and openings due to replacement. Openings are the total for the 10-year period.

² These wage rates define the 1st and 3rd quartiles of the wage distribution. In other words, if workers were ranked according to their wages, the given rates would bracket the middle 50 percent.

³ Not Elsewhere Classified.

Employers Report a Severe Shortage of Skilled Workers

Do we have enough qualified workers to fill these jobs? The answer is no, and the shortage is most severe in the supply of workers with vocational technical preparation.

A 1999 survey of almost 4,000 employers by the Workforce Training and Education Coordinating Board (WTECB) found that 64 percent of firms looking for workers during the last 12 months had difficulty finding qualified job applicants.²⁴ This represents an estimated 60,750 Washington State employers. The problem is not isolated to high-tech firms; the shortage affects all.

Percent of Firms Reporting Difficulty Finding Qualified Applicants				
Industry	Region			
	Statewide	Puget Sound ²⁵	Western Balance ²⁶	Eastern Washington
All Firms	64	69	59	57
Agriculture & Food	46	64	53	34
Manufacturing	70	73	67	64
Construction	73	80	65	67
Trade	65	68	62	60
Services	65	70	59	60
High-tech ²⁷	63	66	46	71
Other ²⁸	57	60	48	59

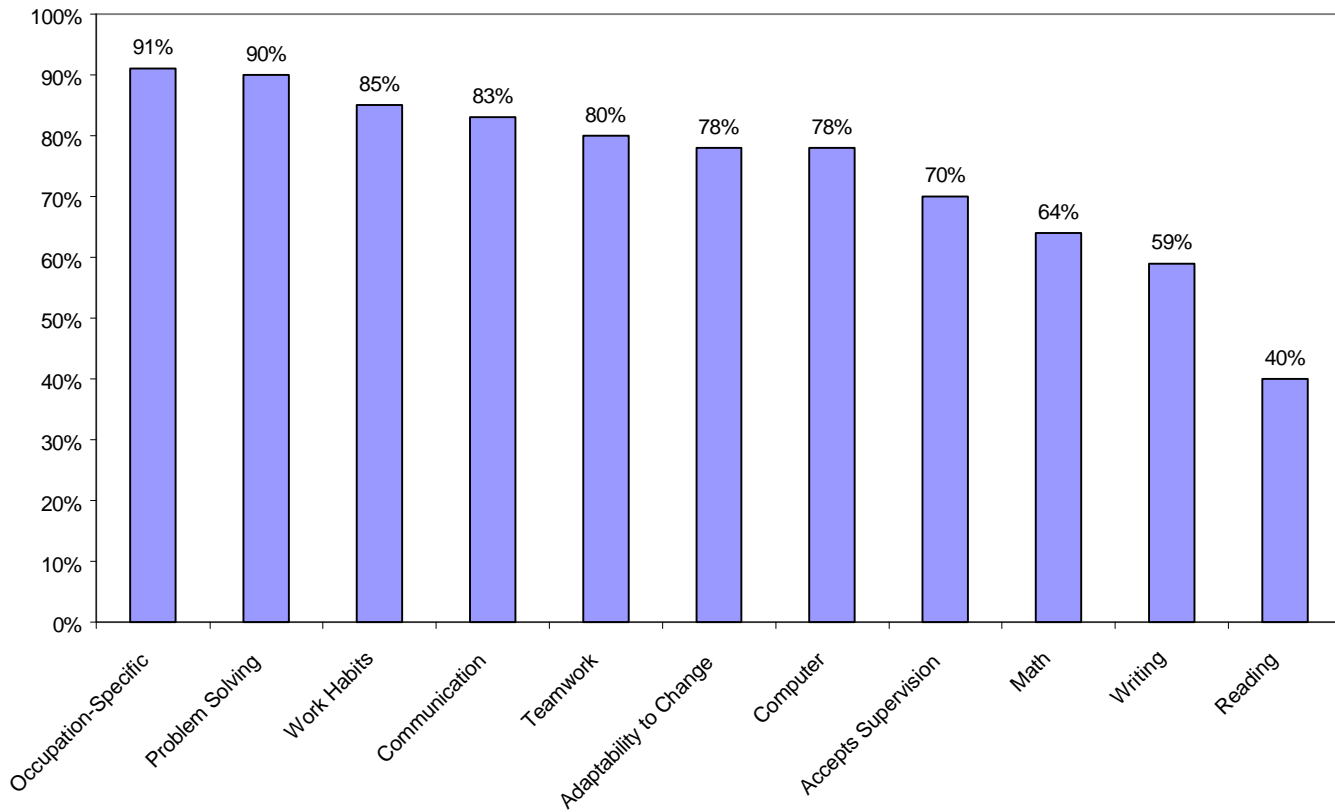
The strong economy has created a “general” labor shortage, and some firms report having trouble finding applicants with only a high school diploma. The more serious problem, however, is the scarcity of workers with postsecondary training. Among firms having difficulty in finding qualified workers, about 77 percent report difficulty in finding applicants with a vocational certificate or vocational associate degree. Roughly the same percentage of firms report difficulty in finding applicants with a baccalaureate degree, but the scarcity of workers with postsecondary *vocational* training affects more firms than are affected by shortages of other workers.²⁹

Among employers who had difficulty, 91 percent had difficulty finding applicants with occupation-specific skills. This was more than the percent that had difficulty finding any other type of skills, including the basic skills of reading, writing, and math.

For the next 10 years there will be about 32,000 net job openings per year for workers with more than 1 year and up to, but less than, 4 years of postsecondary training. Yet, only about 21,360 people complete programs at two-year colleges, private career schools, and apprenticeships and are ready to go to work.³⁰ Roughly one third of the projected demand is unmet.

Worse, employers believe skill shortages are hurting the economy by lowering productivity, reducing product quality, and limiting output or sales.³¹

Percentage of Employers Having Difficulty Finding Applicants With Specific Skills (among those reporting difficulty)



Source: Workforce Training Board, 1999.

Information Technology

The exploding field of Information Technology (IT) feels acutely the unmet demand for workers with technical knowledge and skills.

IT employees design, program, and maintain computers and computerized systems. Since such systems are pervasive in our lives, so is the need for IT workers. IT's share of the U.S. economy nearly doubled between 1977 and 1998, growing from 4.2 percent to 8.2 percent.³² *American companies increased their annual investments in computers 14 fold during the 1990s, and the Commerce Department predicts that almost half of the U.S. workforce will be employed in industries that are either big producers or intensive users of IT by 2006.*³³

IT jobs have grown so fast that the workforce training system can't keep up with the demand. In 1998, WTECB assisted the Washington's Software Alliance to assess the "extent and nature of the workforce challenges" facing the software industry in Washington State.³⁴ The assessment revealed that Washington has a serious shortage of information technology workers:

- Washington's software industry includes nearly 2,500 firms.
- The industry employed 11,200 people in 1988; 10 years later 46,000 people worked in this industry.
- There is currently a severe shortage of workers, which is slowing industry growth, resulting in the loss of billions of dollars in lost revenues, and delaying the creation and release of new products.
- In 1998, Washington had more than 7,000 unfilled software industry jobs.
- Nearly 64,000 additional software industry workers will be needed within the next three years.
- Educational institutions in Washington State, at all levels, are preparing far fewer information technology workers than are likely to be needed.
- Software companies are forced to use a variety of tactics to fill the gap, including recruiting from other states, subcontracting to firms in other states or countries, and bringing in foreign workers. The most harmful affect is stifled growth and lost economic opportunities.
- Firms were presented a list of nine policy suggestions, and they were asked to choose three. They most strongly supported expanding information technology programs at high schools and community colleges. These suggestions were supported by roughly half of the respondents. Expanding information technology programs in universities received support by one third of the sample.

quote

The scant supply of software, information systems and other engineering talent puts Washington companies at a significant competitive disadvantage—Dennis Brewer, Chair of the Higher Education Task Force, Washington Chapter of the American Electronics Association.

Construction Industry to Need Many Skilled Workers

The scarcity of highly skilled workers is not confined to high-tech industries. A recent study conducted by the Office of Port JOBS, the Worker Center of the King County Labor Council, AFL-CIO, and the Northwest Policy Center suggests that demand for construction workers in the Puget Sound will increase rapidly, putting pressure on the region's apprenticeship and pre-apprenticeship systems.³⁵ Increased construction activity, higher than average retirements, and other replacement needs are expected to result in roughly 5,340 net job openings (new jobs and openings due to replacement) per year over the next few years, and about 4,125 per year from 2001 to 2006.

The study concludes that the Puget Sound region's apprenticeship programs, which combine structured on-the-job training with classroom instruction, must be expanded to meet the growing demand for skilled workers. The 11 largest programs serve about 3,500 apprentices each year, and they could, with additional resources such as more classrooms, serve another 1,500. However, it will be hard to find enough qualified applicants for the programs. One problem is the system's decentralized nature, which can make it difficult for an interested person to understand and navigate. Other problems include insufficient linkages between apprenticeship preparation programs and apprenticeships, difficulties in recruiting and retaining women, insufficient marketing of apprenticeship programs in high schools, and a cultural bias against entering trades.

High-Performance Work Organizations Need Workers Who Think

Today's businesses must be fast on their feet to survive in today's constantly changing marketplace. They must pursue a strategy of market flexibility and responsiveness. They must rely on employees who can adjust production processes quickly. Successful companies tend to share a set of traits that collectively describe a "high-performance work organization." These traits include:

- A commitment to continuous improvement.
- Effective worker participation in decision-making at the shop floor or frontline level.
- A high degree of integration of technology into work processes.

- Cross-functional teams responsible for customer service, training, problem solving, and product design.
- Management by coaching, planning, and facilitation, rather than enforcing.
- A culture that promotes high levels of informal learning among employees.

High-performance work organizations require highly skilled workers. Employees can't participate in decisions if they can't read the plant's production reports well enough to see the relationship between down time and financial performance. They can't operate computerized machines or understand statistical process control without some understanding of mathematics. They can't contribute to a cross-functional team without basic communication skills.

To meet the needs of a high-performance work organization, tomorrow's workers must not only receive job-specific and basic skills training. They must be able to:

- Adapt quickly to change.
- Perform more abstract work processes.
- Assume more decision-making authority.
- Work in teams.
- Understand systemwide needs.

Many Washington businesses are striving to adopt the high-performance strategy. In 1990, a national study reported that only 5 percent of employers were using methods that characterize a high-performance work organization.³⁶ When surveyed in 1999, 20 percent of Washington employers indicated they had a formal continuous quality improvement program in place.³⁷ Larger percentages of employers are using other high-performance practices such as cross training employees (84 percent), self-managed work teams (44 percent), and benchmarking their results against other firms (42 percent).

The high-performance strategy is best achieved when the employer is willing to develop its workforce and where there is already an adequate supply of highly skilled workers. Washington employers engaging in high-performance practices are more likely to provide training to their employees and to expect increased employment of workers with postsecondary training. As the number of work organizations that incorporate high-performance practices increases, so will demand for highly skilled workers. Our training system will have to do more to ensure that those entering the labor market have the required teamwork skills, problem solving skills, and the ability to adapt to changes that are required in the high-performance workplace.

Implications

Washington's economy is changing. Pervasive technological change has increased demand for more educated workers in all sectors of the economy. The jobs being created demand higher skills, and only higher-skilled jobs can pay a family wage and offer benefits. Our citizens need jobs that pay well enough to provide a family-wage standard of living. Unless we equip our workforce with the skills to succeed in high-wage jobs, our society will become increasingly polarized into skilled "haves" and unskilled "have-nots."

Employers need more skilled workers. If employers can't find trained workers, Washington's businesses will suffer. They won't be as innovative or competitive, and our state's now robust economy will be threatened.

A knowledgeable workforce is a state resource and a "draw" for employers considering where to locate or expand their operations.

Dramatic structural changes, the rise and fall of industries, coupled with profound technological changes within industries, have created a serious dislocated worker problem in our state. Retraining must be available for today's workers so they can match changing demand. Major investments in the skills of current and future workers are essential. Workers must be lifelong learners, and training must be readily accessible to both workers and employers.

Finally, workforce training and education policy and programs must be coordinated with state and local economic development strategies. Coordinating workforce training with economic development can help us attract the industries that pay family-wage jobs and enhance the economic prospects of our citizens. We need to diversify the economic bases of depressed rural communities, and workforce development policies are critical to our efforts. Workers in rural counties, which have not shared in Washington's high-tech boom, must gain the skills required to attract and support new industries.

TOMORROW'S WORKFORCE

Will We Have The Skills We Need?

Our workforce development system faces stiff challenges. Washington's businesses need increasing numbers of skilled workers. Segments of our population need more extensive and easier access to education and training so that they can escape from low-wage jobs.

Demographic trends will make it more difficult to meet these challenges. Population growth has declined, and our labor force growth rate will continue to slow. It will be harder to close the skill gap with fewer new workers entering the labor market each year. The population is also aging, and an increasing percentage of labor market entrants will come from populations that traditionally have received less education. However, younger workers and better-educated workers are the ones that typically achieve the greatest wage progression.

Slow Growth in the Workforce

Rapid labor force growth during the 1960s, 1970s, and 1980s provided our employers with a ready supply of skilled workers to staff expanded operations. But, Washington's population growth is slowing. Even with continued in-migration from other states and countries, labor force growth slowed to 24 percent during the 1990s. Forecasts suggest that growth in the next decade will slow to 16 percent; from 2010 to 2020, it will drop to only 8 percent. What do these forecasts imply in terms of numbers of new workers? There were roughly 60,000 net additions to the labor force per year during the 1990s. There will be 50,000 a year from 2000 to 2010 and only 29,000 a year from 2010 to 2020.³⁸

Lower birth rates, after a lag, result in slower labor force growth. Changes in labor force participation rates will not offset the impact of declining population growth in Washington. The labor force participation rate increased from 61.5 to 71.9 percent between 1970 and 1998, and this contributed to the increase in labor supply. However, population aging is expected to nudge the participation rate down to 68.1 percent by 2020.

Migration will moderate the declines in labor force growth, but it will not reverse the trend. Employers who are faced with severe labor shortages have looked to foreign workers as a potential labor pool. However, international migration is a contentious issue, and it is limited by federal policy (sidebar). Migration within the United States has made substantial contributions to labor force growth in Washington. However, the net migration rate has declined dramatically from its peak in 1989 to 1990. The current rate is expected to remain for the next ten years, based on the expected performance of Washington's economy relative to that of the United States and California.³⁹

Washington's future economic growth could be increasingly constrained by limits in the supply of skilled workers, particularly in occupations that require technical training beyond the high school level. It will be more difficult to increase the skill mix of the workforce when fewer new workers enter the labor market each year. Moreover, slower growth in labor supply could further skew labor demand toward highly skilled workers. Firms, confronted by an increasing scarcity of labor, will respond by investing even more in new production technologies that require fewer workers overall, but demand more highly skilled ones.

This presents Washingtonians with an opportunity and a challenge. The opportunity is that good paying jobs will become available to a wider spectrum of people than in the past. The challenge is to ensure that our citizens have the skills necessary to succeed in these new jobs.

sidebar

Importing IT Workers

Some employers of information technology (IT) workers are looking to foreign workers to meet their skill needs. Whether or not to allow larger numbers of skilled foreign workers to enter the country is a contentious issue. A debate has focused on the number of H-1B visas, which allow skilled foreign workers to work in the United States for up to six years. Although H-1B visas are "non-immigration" visas, they are often used as a stepping stone to permanent immigration.

Prior to 1998, the number of H-1B visas had been capped at 65,000 workers per year. Largely due to the increased use by the IT industry, the H-1B cap was reached for the first time in August 1997. In 1998, the cap was reached in May.

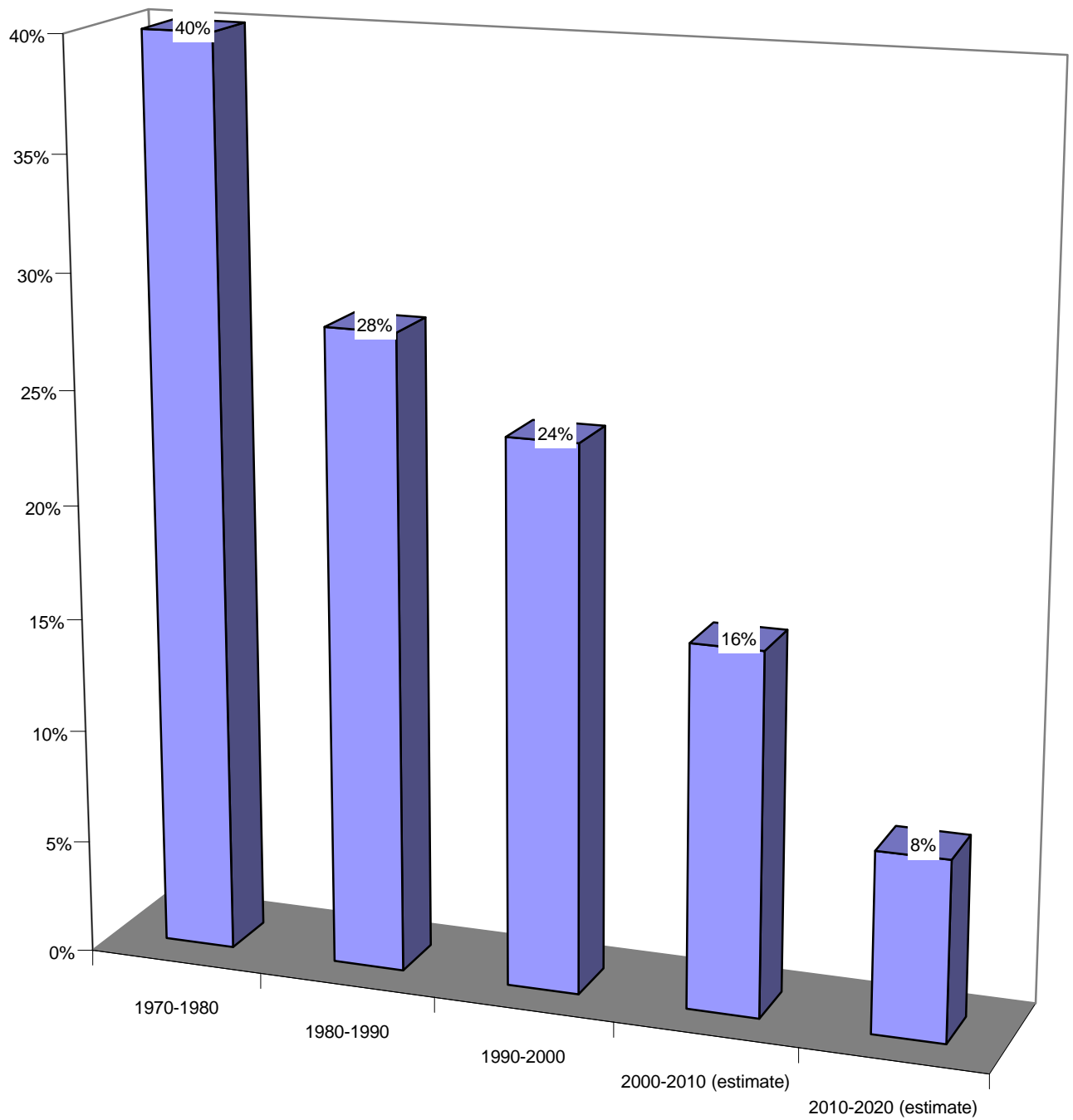
The IT industry led a major effort to raise the H-1B visa cap. Groups that represent technical workers opposed this, arguing that there are Americans who can do the work, but that industry wants lower cost labor. They have also argued that H-1B workers cause wages in IT occupations to be lower than they would otherwise be, reducing the incentive for U.S. residents to enter these occupations.

In late 1998, the Congress and the White House agreed to compromise legislation that would temporarily increase the H-1B cap to 115,000 for fiscal years 1999 and 2000, and then decrease it to 107,500 in 2001 and 65,000 in 2002. The compromise included funding to increase the supply of technically trained workers in the U.S.

Source: Excerpted from Carol Ann Meares and John F. Sargent, "The Digital Workforce: Building Infotech Skills at the Speed of Innovation," US Department of Commerce, Office of Technology Policy, June 1999, pages 16-17.

Labor Force Growth Over Decades: 1970-2020

Growth in the labor force is slowing, creating the potential for greater shortages of labor and skills



New Sources for Tomorrow's Workers

With a slowdown in labor force growth and an increase in the skill levels demanded by the jobs now being created, Washington's economy is going to need every available skilled worker in the state. Where will these workers come from? They could come from population segments that in the past have been underrepresented in both technical training programs and the workforce at large.

People of Color

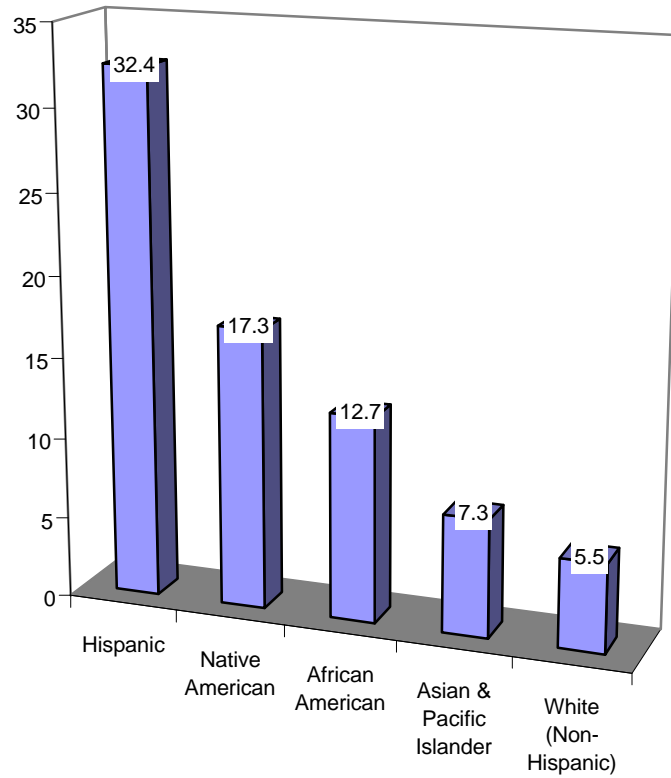
Washington State is becoming more diverse; growth in the number of people of color exceeds that of the white population. The Hispanic and Asian/Pacific Islander populations are increasing especially rapidly. By 2020, according to projections, Washington will be home to almost 700,000 Hispanic people, an increase of 125 percent over 1990. The number of Asians/Pacific Islanders will rise by 113 percent.⁴⁰

Twenty-four percent of the state's public school students in grades K–12 are students of color. The number of white students in our public schools increased by 10 percent between 1990 and 1998. The number of African American students rose by 44 percent, Asian students by 50 percent, and Hispanic students by 92 percent.⁴¹ As many as 90 languages are spoken by students in Washington's large urban school districts.⁴²

The composition of the workforce is also changing. Twenty-six percent of the net additions to Washington's workforce from 1990 to 2020 are expected to be people of color. In 1990, 9 percent of Washington's working population was nonwhite and 3.7 percent was Hispanic; by 2020, 15 percent will be nonwhite and over 8 percent will be Hispanic.⁴³

For a variety of reasons, including racial prejudice, people of color have in the past obtained less education on average than whites⁴⁴ and have experienced higher levels of unemployment.⁴⁵ As a result, this growing population has a large, unmet need for education and training. Washington must satisfy this need. The combination of slower growth in the workforce and faster growth among people of color brings together a moral imperative for equal opportunity and an economic imperative for better-educated workers.

**Percent Without a High School Diploma or GED:
Washington Population Age 21 and Older**



**Source: Calculated from 1998 Washington Population
Survey data.**

The Economically Disadvantaged

The *1998 Washington Population Survey* suggests that over 617,000 people age 21 or older, or 16 percent of the adults in the state, have household incomes below 175 percent of the poverty line.⁴⁶ Who are these people? They tend to be less well educated than the general population; roughly a quarter do not have a high school diploma. Note that almost one third of this population have completed high school; a secondary diploma is not a passport to a living wage for many. People of color are over-represented in this population; 26 percent are nonwhite. They have lower rates of employment; 54 percent were not working for pay during the survey week. Among those who were working, over one third are concentrated in sales, clerical and food service jobs.

Citizens who are economically disadvantaged, in particular, tend to lack basic skills. Washington has thousands of citizens who lack basic skills such as high school level proficiency in math and reading, as well as the “new” basic skills of problem solving, teamwork, and communication (sidebar).

Among the 76,000 adults receiving Temporary Aid to Needy Families (TANF) during an average month, for example, about 23 percent do not have a high school diploma or GED.⁴⁷ These people have substantial needs for workplace skills and occupational training that must be satisfied before they can take advantage of the opportunities the economy will present. Evidence from national surveys suggest that education is a key determinant of wage progression. The less educated are much less likely to experience substantial growth in real earnings.⁴⁸

Immigrants are also disproportionately economically disadvantaged. Among Washington’s native-born population aged 20 to 59, only 5 percent have less than a high school credential. About 18 percent of the foreign-born do. While roughly 6 percent of our native-born population have household incomes below the poverty line, 13 percent of the foreign-born live in poverty.⁴⁹

In addition to increasing access to education and training among targeted populations, we must also promote the creation of high-wage jobs, especially in disadvantaged regions. In rural Washington, for example the economies are not diversified, and many workers are trapped in low-wage agricultural jobs. Among the approximately 170,000 migrant and seasonal farm workers, the median annual income is \$5,000.⁵⁰ Labor-intensive agriculture, such as fruit and vegetable production and processing, is seasonal work, and workers in the industry suffer unusually high unemployment rates. Over 41 percent of jobs in agriculture are classified as low wage (paying less than \$6.50 per hour), substantially more than in any other industry.⁵¹

Limitations of Poor Basic Skills

According to the State Adult Literacy Survey, between 31 and 36 percent of Washington's adults perform at the lowest two levels of proficiency (out of five) in reading, math, and problem solving.⁵²

At Level 1, many adults are unable to respond to much of the performance-based survey. Others can only perform simple, routine tasks involving brief and uncomplicated texts and documents. For example, some can total an entry on a deposit slip, locate the time and place of a meeting on a form, and identify a piece of specific information in a brief news article.

At Level 2, adults are able to locate information in text, make low-level inferences using printed materials, and integrate easily identifiable pieces of information. They demonstrate the ability to perform quantitative tasks that involve a single operation where the numbers are either stated or can easily be found in the text.

Women

Women have entered the labor market in increasing numbers over the last 25 years. In 1975, 47 percent of working-age women in Washington were in the labor market. By 1990, that number reached 62 percent, and it is expected to rise to 66 percent in 2010. Thereafter, even though the participation rates for given age groups remain high or even increase, the *overall* participation rate for women is expected to decline because of population aging.⁵³

Although more women are working and there are fewer barriers to entering male-dominated fields, women's progress has been uneven:

- Women are still concentrated in clerical, sales, service, and light manufacturing jobs.
- When women and men are in the same occupation, men still tend to have higher pay.
- Because of occupational selection, women continue to lack access to jobs with career ladders.
- Only 13 percent of the participants in state-approved apprenticeship programs are women, and many programs have no female participants.⁵⁴

Women who are single-parents, and their children, often face economic hardships. Eighty percent of all adults receiving TANF are women.⁵⁵ Fifty-three percent of children living in poverty in Washington are in households that do not have both parents present.⁵⁶ To the extent that women remain concentrated in occupations and industries that do not provide them with compensation sufficient to support themselves and their children or offer opportunities for advancement, these families will continue to remain within the boundaries of poverty.

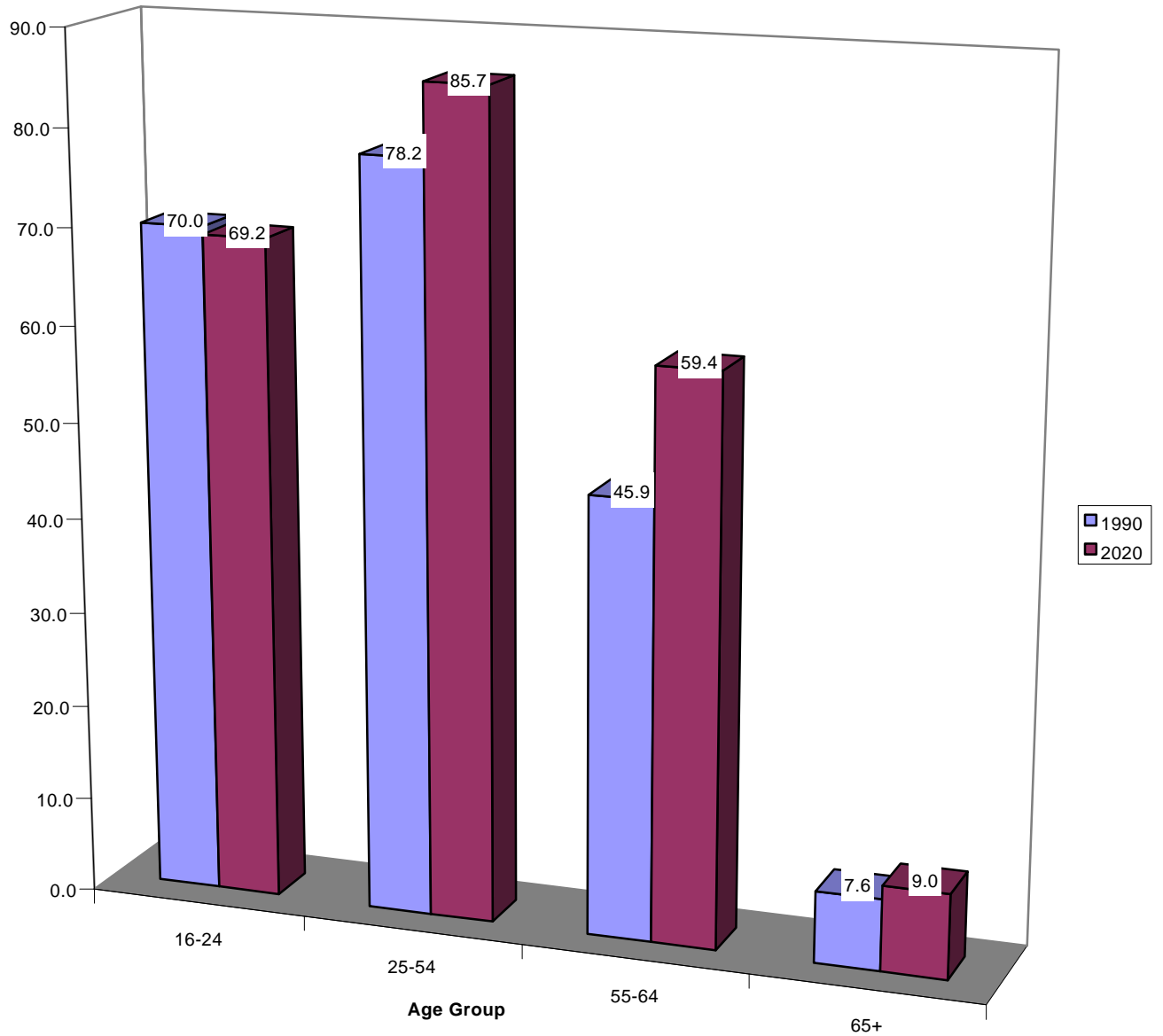
Labor supply constraints for skilled occupations could sharpen the need to recruit and promote women. Employers who discourage sex stereotyping and provide “family-friendly” work environments will be more successful in recruiting and retaining the best candidates—male and female alike.

quote

We must do more to meet the challenge of breaking the glass ceiling and opening wider the doors of opportunity for women—Alexis M. Herman, U.S. Secretary of Labor, 1998.

**Percentage of Women Participating in the Labor Force by Age Group:
1990 and 2020**

Increasing percentages of women age 25 and older will participate in Washington's labor market.



“1999 Long-Term Economic and Labor Force Forecast for Washington,” Washington State Office of Financial Management and Employment Security Department, 1999.

People with Disabilities

People with disabilities represent another underutilized human resource. Approximately 450,000 Washingtonians age 16 to 64 have work-limiting disabilities. According to a 1996 survey of 2,500 Washington citizens with disabilities, many feel that their skills are unused and underutilized. Among the findings:

- Only 38 percent of people with disabilities have full or part-time jobs.
- Of the people employed part-time, nearly half say they want full-time work.
- About one third of those employed say that their jobs do not use their skills well.
- When asked what keeps them from getting jobs that better utilize their skills, survey respondents cite transportation, family responsibilities, need for help in finding a job, and other limitations due to their disabilities.

When we fail to fully employ people with disabilities, we are losing out on a very important resource. We must work to eliminate barriers that keep people from working to their fullest potential. People with disabilities can help address the shortage of skilled workers.

sidebar

Disability Among Working-Age Adults

Nine percent of people aged 20 to 67 have physical, mental, or other health conditions that limit the kind or amount of work they can do. Disability rates rise with age, but substantial numbers of prime-age adults report disabilities—6 percent of those in their thirties, 9 percent in their forties, and 14 percent in their 50's.

Age Group	Estimated Percentage With Conditions That Limit Work
20-29	4.8
30-39	6.0
40-49	9.1
50-59	14.2
60-69	17.6

Source: 1998 Washington State Population Survey.

Adapting to a Diverse Workforce

Washington's workforce training system must adapt to the growing diversity of the workforce. Public institutions' record in this area—from the perspectives of employees, as well as students—is mixed.

Workforce Training and Students of Color

Washington's large urban school districts have historically offered fewer vocational courses than suburban or rural school districts. Because most students of color live in large urban districts, these students lacked opportunities to explore vocational choices. In 1998, 262 African-American males completed a secondary vocational education program in Washington State.⁵⁷ This number suggests that some progress is being made since 1996, when the number was 211.

With regard to enrolling minority students, postsecondary schools are performing well. Among the state's community and technical colleges, people of color are enrolled at rates higher than their incidence in the general population.⁵⁸ From 1993 to 1998, community college enrollment for students of color increased by almost 30 percent—Hispanic student enrollment increased by 87 percent. In that same period, white student enrollment dropped by 8 percent.

Once people of color are enrolled, however, fewer complete courses of study than average.⁵⁹ (However, because of minority students' higher than average initial enrollment, they still complete their courses of study in higher percentages than the general population. Asian-Americans' retention and completion rate is higher than that of other population groups.)

In general, African-American and Native American graduates of training programs are less likely than white graduates to be employed the third quarter after completing their program. And those who do complete a community or technical college program or a Job Training Partnership Act program have substantially lower incomes than whites who complete the same program.⁶⁰

quote

Ten years ago in Walla Walla, there was one Hispanic person to every eight non-Hispanic persons. Today, the ratio is one to five, and in 2005, that ratio will be one in four. We need help with transition to the new population and the new workforce. J.R. Langrell, Walla Walla Community College.

Employing People of Color

Community and technical colleges have made progress in employing people of color. Minorities comprised almost 13 percent of full-time faculty in 1998—up from less than 10 percent in 1993, but less than the 17 percent representation in the general population. Just over 14 percent of administrators and professional staff and almost 20 percent of classified support staff are people of color. However, hires of administrative, professional, and classified staff have not kept pace with the growing diversity of students, and the ratio of staff of color to students of color has dropped for these categories in recent years.⁶¹

People of color are underrepresented in the ranks of those that lead and teach in our K–12 school system. Fewer than 9 percent of all administrative, faculty, and staff positions are held by people of color. Even though 24 percent of K–12 students are of color, only 6.5 percent of teachers are.⁶²

Women in the Workforce Training System

Enrollment of women and girls in workforce training and education, except in apprenticeship, is generally equal to or above their incidence in the population. They continue to cluster, however, in fields of study for occupations that pay less than the fields dominated by men. As a result, after training, women graduates generally have lower earnings than men.⁶³

As employees, women are well represented at all but the top levels of employment within the community and technical college system. They comprise 46 percent of full-time faculty and 56 percent of administrative positions.⁶⁴ Within the K–12 system, 69 percent of the teachers and 45 percent of central and unit administrators are women.⁶⁵

These figures paint a picture of women and people of color being able to enter the workforce training system as students and employees, but not achieve the same levels of success as their white male counterparts.

The Population is Aging

The leading edge of the baby boom has entered its 50s. Before long, this largest generation in American history will swell the ranks of the retired. Already, people over age 65 constitute the fastest growing segment of the population. Washington had about 650,000 people age 65 and older in 1998, accounting for roughly 11 percent of the population. Recent forecasts suggest this number will reach 1.22 million or 16 percent of the population, by 2020.⁶⁶

In contrast, the relatively small number of persons born during the period following the baby boom will soon enter their prime years of labor force participation. As a result, the ratio of active to retired workers may drop from 3.4 workers for every 1 retiree in 1998, to 2.4 workers for every 1 retiree in 2020. By 2030, the ratio could drop to two workers for every retiree.⁶⁷

In addition to there being more retirees, the age composition of those remaining in the workforce will shift. The number of older workers in the state will rise dramatically—1 out of every 5 workers will be 55 or older by 2020, as opposed to 1 in 10 in 1990.⁶⁸

With fewer younger workers entering the labor force, employers will increasingly need to rely on hiring older workers, and market forces are already pushing firms in this direction (sidebar). Moreover, there are several reasons to believe that workers will postpone full retirement in the future. Health or physical abilities are not generally a barrier to activity until people reach their mid-70s, in any event, and the share of workers in physically demanding jobs has declined dramatically.⁶⁹ Policy changes, such as the increase in the social security retirement age from 65

to 67, should also nudge the average retirement age upward. Another important potential policy change would be a federal mandate that employer pensions be age neutral, thus removing the financial penalties to working beyond a particular age.⁷⁰ Congress is looking at lifting social security penalty on earnings for those over 65. New work arrangements may also be needed to encourage retired workers to return or remain in the workforce as part-time employees.

Firms are also changing their attitudes toward training older workers. The returns to investments in older workers can be high, since they often have better education levels than today's high school graduates, and are less likely to switch jobs.⁷¹ Older workers who regard learning as a lifelong pursuit, instead of something that ends with the completion of their formal education, will be best able to profit from the tight labor market and employment offered training opportunities.

In addition, public and private training programs will need to serve the needs of older workers returning for retraining. Workforce Investment Act programs for adult and dislocated workers may begin to see a larger number of older participants and proportionately fewer young adults. The aging of the baby boom will mean that the age distribution of the disadvantaged population will shift up.⁷²

The aging of our labor force has at least two additional implications for Washington's workforce needs. Because a diminishing pool of younger workers will be supporting the Social Security benefits of an ever-increasing pool of retirees, it will become even more important that younger workers are employed at the highest level of their skills and earning capacity. Also, an increase in the number of employees supporting aging parents will demand more family-friendly policies in the workplace.

quote

Job training and education programs should be available to the entire workforce and business community as part of a continuum of lifelong learning. At every stage in their lives, people should have the opportunity to equip and reequip themselves for productive work through school and work-based learning.—National Governors' Association.

sidebar

Employing Older Workers

Days Inn of America, a franchiser of hotel properties, had difficulty in hiring and retaining sufficient numbers of employees for its national reservation center. It needed to find people who could work flexible schedules, learn a sophisticated computerized reservation system, and be good salespersons. Management turned to recruiting people over age 50. A study compared workers aged 50 and older with those aged under 30 and found the following results.

- Eighty-seven percent of older workers stayed on the job for one year or longer versus 30 percent of younger workers.

- Absentee rates were much lower for older workers.
- Older workers had no difficulty learning the complicated reservations system.
- On balance, older workers cost about the same as younger workers.

Source: “Older Workers: Perception and Reality,” Michael Barth, presentation to the U.S. Senate Special Committee on Aging, July 25, 1997.

Youth

Another possible source for new workers will be the next cohort, the baby boom “echo,” the rapidly increasing population of young people. If the economy is to adjust successfully to an aging population, we must prepare the coming generation of young workers for full participation in the world of work. Projections show that over the next several years the state’s population of 17 to 20 year-olds and 21 to 30 year-olds will increase rapidly, expanding at a high rate for the next 10 years before leveling off.⁷³ But will these young people leave school ready to succeed at high skill, high-wage jobs?

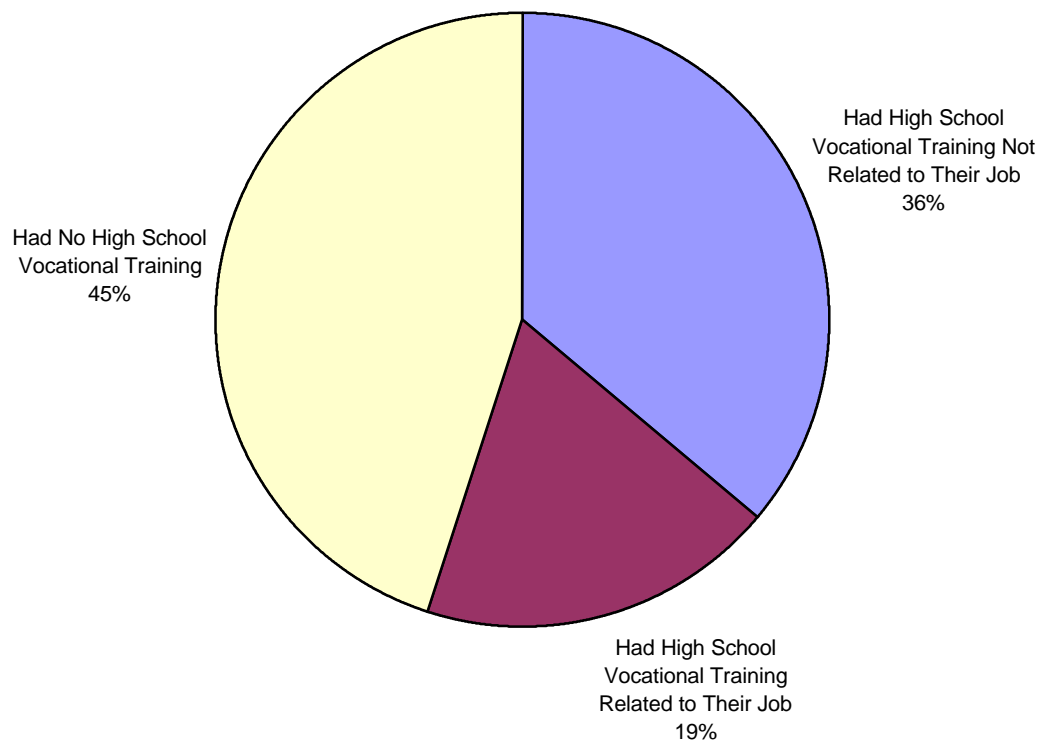
Too many young people never complete high school, and too many still emerge from high school ready neither for further education nor work. Twenty-three percent of Washington ninth graders drop out before their class graduates.⁷⁴ Washington’s students generally rate their high schools highly in terms of providing them with reading, writing, and math skills. They give their schools poor ratings, however, for helping them see a link between school and the real world.⁷⁵

Only about one sixth of graduating seniors have completed a vocational sequence. Among high school graduates who were working full or part-time after graduation, only 19 percent had received vocational training in high school related to their job.⁷⁶ In a recent survey, employers were asked to assess the skills of employees who had recently completed a secondary vocational-technical education program. Employers were generally satisfied with the level of basic skills in reading, writing, and math. Roughly 35 percent, however, were not satisfied with the students’ work habits and attitudes.⁷⁷

As a result, a large number of our young people are underutilized as workers and unable to take their places as productive, responsible, and contributing adults. Too often, students who do not immediately move on to postsecondary education after high school spend years drifting from dead-end job to dead-end job before linking with training at a community or technical college or private career school.

High School Training of Graduates Who Are Employed Following Graduation

Most employed high school graduates lack vocational training related to their jobs



Implications: We Can't Waste a Single Individual

Now, more than ever, we must equip all our citizens with a firm foundation of basic academic and workplace skills as well the technical skills needed in the new economy. We are confronted with an increasing scarcity of skilled workers, and demographic trends will exacerbate the problem. Large segments of our population are poor, have little or no training, and have only limited prospects for wage progression. We must ensure that all of our citizens—people of color and whites, women and men, people with disabilities, the economically disadvantaged and the prosperous, young and old—are prepared and positioned for success.

Without a skilled labor force, Washington will increasingly be a society of rich people and poor people with a diminishing middle class. Citizens will find themselves unable to compete for jobs in the most profitable and competitive companies. Can we afford to have any of our workers be unemployed or underemployed for lack of skills? Not if we want to preserve the quality of life we treasure. We can't afford to waste a single individual.

TODAY'S WORKFORCE DEVELOPMENT SYSTEM

Washington has a world class economy. Our overall growth in the past three years is the highest in decades. Economic competition, however, and the changing composition of our workforce present Washington's workforce development system with immediate and important challenges. Youth entering the work world face increasing expectations as to their qualifications. Skill shortages are hampering the growth and productivity of businesses. Less educated workers are not sharing equally in the benefits of the recent economic boom. Many hardworking citizens have lost their jobs in traditional industries. Disadvantaged youth, persons with disabilities, farm workers, and other low income Washingtonians are having difficulty getting a firm footing on the ladder of economic advancement.

Washington has been a national leader in developing strategies to improve the quality of the workforce. We have established the most extensive program in the nation for retraining dislocated workers. We are implementing a broad-based WorkSource system of one-stop delivery of employment and training related services in order to reduce duplication and provide customer friendly access to needed services. We have conducted comprehensive planning and program evaluations.

But more needs to be done. Governor Gary Locke issued Executive Order #99-02 and directed the Workforce Board to "work with business, labor, local workforce development councils, and state operating agencies to develop goals, objectives, and strategies to address the following challenges:

1. Closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.
2. Enabling workers to make smooth transitions so that they may benefit fully from the new, changing economy by developing a coherent dislocated worker strategy that includes incumbent worker training.
3. Assisting disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and low-wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress should be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.

This chapter describes the current workforce system the resources currently available to address our challenges and continue our momentum.

System Planning and Evaluation

The Workforce Training and Education Coordinating Board

The economic and demographic imperatives for workforce development have created a need for a system-wide approach to strategic planning and accountability. The Workforce Board, in partnership with the operating agencies, private career schools and colleges, and local workforce development councils:

- Develops and maintains a state strategic plan for workforce development.
- Ensures that operating plans of agencies that administer the programs of the state workforce development system are consistent with the state strategic plan.
- Designs and implements a performance management system for workforce development.

Other responsibilities at the Workforce Board include licensing private career schools, administering the federal vocational education Act, promoting coordination programs among workforce training and education programs at the state and regional levels, assessing the workforce training and education needs of employers and workers, coordinating with economic development, and advocating for the workforce training and education system to meet the needs of employers and workers.

Programs of the state's workforce development system focus on employment, education and training for jobs that do not require a baccalaureate degree—the education and training that prepares individuals for 75 percent of all jobs.

The workforce development system includes secondary vocational education, community and technical college vocational programs, apprenticeships, programs funded under the Workforce Investment Act (WIA) Title I-B, activities funded under the Wagner-Peyser Act, programs for adult literacy, the Worker Retraining Program, the Job Skills Program, private career schools, employer-provided training, and work-related services provided by the Department of Vocational Rehabilitation, and the Department of Services for the Blind. The workforce development system encompasses 20 state and federal programs⁴, hundreds of education institutions and training providers, and thousands of students, workers, and employers.

⁴ As defined in the Governor's Executive Order.

System Funding

The following table reflects the current resources by program. Funding varies from year to year.

Programs	State	Federal	Public Funding ⁵	Percent of Total
<ul style="list-style-type: none"> • Employment Service <ul style="list-style-type: none"> – Wagner Peyser 		\$15,341,000	\$15,341,000	2.23 2.23
<ul style="list-style-type: none"> • Closing the Skills Gap <ul style="list-style-type: none"> – Secondary Vocational-Technical Education – Federal Vocational Education– Secondary – School-to-Work Transition – Postsecondary Vocational-Technical Education at Community and Technical Colleges – Federal Vocational Education Postsecondary – Private Career Schools⁶ – Apprenticeship Program (Administration only⁷) 	\$219,651,000 \$198,695,000 \$1,037,000	\$9,653,000 \$4,300,000 \$12,364,000	\$219,651,000 \$9,653,000 \$4,300,000 \$198,695,000 \$12,364,000 \$1,037,000	64.92 32.00 1.41 .62 28.94 1.80 .15
<ul style="list-style-type: none"> • Incumbent and Dislocated Workers <ul style="list-style-type: none"> – Job Skills Program – Dislocated Workers Program (JTPA Title III⁸) – Worker Retraining Program 	\$567,000 \$28,835,000	\$13,905,000	\$567,000 \$13,905,000 \$28,835,000	6.31 .08 2.03 4.20
<ul style="list-style-type: none"> • Wage Progression <ul style="list-style-type: none"> – Disadvantaged Adult Training Program (JTPA Title II-A) – Adult Education and Basic Skills – Volunteer Tutor Coordination Program – Even Start Family Literacy Programs – Employment and Training for Migrant Seasonal Farm Workers – Disadvantaged Youth Training Programs (JTPA Title II-B and Title II-C) – Division of Vocational Rehabilitation – Services for the Blind 	\$93,207,000 \$247,000 \$7,486,000 \$1,407,000	\$18,909,000 \$4,764,000 \$1,725,000 \$1,805,000 \$19,327,000 \$27,659,000 \$5,603,000	\$18,909,000 \$97,971,000 \$247,000 \$1,725,000 \$1,805,000 \$19,327,000 \$35,145,000 \$7,010,000	26.54 2.75 14.27 .04 .25 .26 2.82 5.12 1.02
Total Public Funds	\$551,132,000	\$135,355,000	\$686,487,000	100%

⁵ Public funding as reported on page iii of WTECB's *Workforce Development Directory 1999*.

⁶ Private career schools are not appropriated public funds; students are eligible, however, to receive financial aid.

⁷ The bulk of funding for apprenticeship programs is private and comes from Joint Apprenticeship Training Trust Funds, funded by both workers and employers.

⁸ Funding for JTPA Title III was about 40 percent lower than the previous year.

Local Workforce Development Councils

Under Executive Order #99-02, the Governor called for the establishment of local Workforce Development Councils in twelve areas of the state to serve as local workforce investment boards under WIA. The Governor has directed these local councils to:

- Develop a local unified plan for workforce development including a strategic plan, an operating plan for WIA, Title I-B, and other program operating plans that are consistent with the strategic plan.
- Conduct oversight of the WorkSource system and promote the coordination of workforce development activities at the local level.
- Establish youth councils to coordinate services to disadvantaged youth.
- Provide for a coordinated and responsive system of outreach to employers.
- Identify eligible providers of training services.
- Assess the planning process.
- Execute a master partnership agreement with local elected officials and mandatory WorkSource partners.
- Collaborate in the development of WorkFirst service area plans.

Local councils are given flexibility within the state plan to set priorities for their area while addressing the challenges in the Governor's Executive Order. Accountability for results is a responsibility shared by the local councils and the State Workforce Board.

Service Delivery

WorkSource (the One-Stop Career Development System)

WorkSource Mission Statement: To create a system leading to full employment for the people of Washington by:

- a. integrating employment and training-related services so that they are easier to find and enter.
- b. consolidating programs where coordination and efficiencies result.

The cornerstone of providing improved access to employment and training services is a system that provides integrated services in “one-stop.” Washington is already well on the way to creating such user-friendly access. We call it **WorkSource**. The new approach connects the employment and training services of many different programs and makes them accessible through one point of access, in person or electronically.

State organizations with the largest number of customers in the workforce development system have been working together with representatives of business and labor to make WorkSource a success. Implementation of the system is being guided by the Executive Policy Council, led by the Employment Security Department, which includes the Workforce Board, State Board for Community and Technical Colleges, the Department of Social and Health Services, the Office of Superintendent of Public Instruction, the Department of Labor and Industries, and directors of the Job Training Partnership Act Service Delivery Areas, Association of Washington Business, the State Labor Council, and the Washington Federation of State Employees.

The Executive Policy Council established twelve WorkSource areas to bridge state planning and infrastructure with local service delivery. Focusing on the unique needs of local communities, partnerships in these areas developed business plans for implementing WorkSource, supported through funds from a federal implementation grant. Beginning this year, all WorkSource partner programs are expected to share in the costs of operating the WorkSource center system.

By July 1, 2000, the WorkSource system will be fully operating and meeting the following goals:

- 1. Accessible to all people and employers.
- 2. Focused on the needs and choices of the customers, both job-seekers and employers.
- 3. Providing services that are integrated.
- 4. Accountable for outcomes.

Required WorkSource Partners
(local areas may have additional partners)

- **Employment Security Department** as administrator of Title I of WIA, Wagner Peyser, Unemployment Insurance, Veterans' workforce programs and activities, Welfare-to-Work, Trade Adjustment Assistance, and NAFTA Transitional Adjustment Assistance activities.
- **State Board for Community and Technical Colleges** as administrator of postsecondary vocational education activities under Carl Perkins Vocational and Applied Technology Act and adult education and literacy activities under Title II of WIA.
- **Division of Vocational Rehabilitation and Department of Services for the Blind**, as administrators of vocational rehabilitation programs authorized under Parts A and B of Title I of the Rehabilitation Act.
- **Area Agency on Aging** or other local area representative for senior community service employment activities authorized under Title V of the Older Americans Act.
- Representatives of the following programs under Title I of WIA if present in the local region:
 1. **Job Corps:** Low-income young adults from 16 to 24 receive educational, vocational, and social skills training designed to help them compete in today's job market. Students are also provided with room and board, medical care, recreational activities, leadership opportunities, work experience, counseling, and placement assistance.
 2. **Native American programs:** This WIA Title I-D program is designed to develop the academic, occupational, and literacy skills of Indian, Alaska Native, and Native Hawaiian individuals and make such individuals more competitive in the workforce in accordance with the goals and values of their communities. Grantees in Washington include the American Indian Community Center in Spokane, the Lummi Indian Business Council, the Makah Tribal council, the Puyallup Tribe of Indians, the Seattle Indian Center, the Tulalip Tribes, the Western Washington Indian Employment and Training Program in Tacoma, and the Colville Confederated Tribes.
 3. **Migrant and Seasonal Farmworker programs:** This WIA, Title 1D program provides job search assistance, job development, classroom training, work-based training, and support services for individuals who suffer chronic seasonal unemployment and underemployment in the agricultural industry. There are currently five regional offices in Mt. Vernon, Wenatchee, Moses Lake, Sunnyside, and Pasco.
 4. Employment and training activities carried out under the **Community Services Block Grant**. The state contracts with 31 Community Action Agencies (CAAs) who work to eliminate barriers to self-sufficiency among needful residents. Some of the plans developed by the CAAs include programs and strategies to reduce barriers to employment and help individuals find and retain jobs.

5. Employment and training activities carried out by the **Department of Housing and Urban Development**. The Seattle Housing Authority has received a national grant for employment and training activities. Local housing authorities may also be using local funds to support tenants in gaining employment.

Universal Access to Integrated Services

All Washington State residents will be able to obtain a variety of “core” services at one or more WorkSource Centers conveniently located in each of the twelve areas. Federally-funded **Wagner-Peyser** employment services will be provided through these WorkSource centers. “Affiliated” sites will be electronically linked to the WorkSource Centers, and self-service stations or “Connections” are offered via the internet to customers needing limited personal assistance. Activities will include job placement services for employers and job seekers, including unemployment insurance claimants, veterans, migrant and seasonal farmworkers, and persons with disabilities. High quality labor market information, training and retraining program information, unemployment insurance information, and information and referral for related services will be available to all.

Employers will use WorkSource to:

- post job announcements and review resumes
- obtain recruitment, screening, and referral of qualified applicants
- receive technical assistance on labor regulations, recruitment, tax credit information, and unemployment insurance.

People seeking new or better jobs will:

- obtain an initial assessment of their employment needs and readiness
- receive high quality job counseling from professionals
- obtain information on available jobs
- post their resumes
- view consumer reports of training provider results.

The services provided by WorkSource will address the contemporary needs and demands of employers and workers *and* take advantage of technology to improve access and quality. The WorkSource approach will make it possible to serve greater numbers of people than in the past and provide them with multiple points of entry into high quality workforce development services.

WorkSource services will include high quality labor market information. Washington's Interactive Labor Market Access (WILMA) is an easy-to-use electronic system for accessing information on the state's job market. WILMA is available on CD-ROM or through the Internet at www.wilma.org. WILMA provides a wealth of information on employment projections, occupational descriptions, wage rates, industry-level employment data, and other labor force data. Users can select their labor market area (using computer maps) and then customize their search by identifying local employers who employ people with particular skills. By July 1, 2000, WILMA will be able to see "consumer reports" with information on program completion, and employment and wage rates of those who have received similar training in the past.

Sidebar: *America's Job Bank*

The Employment Security Department hosts an Internet site (www.wa.gov/work) that provides a link to a nationwide public electronic network called *America's Job Bank*. After a simple on-line registration, job seekers can enter their resumes in a nationally-linked "talent bank"; access regional, state, and national labor market information; and conduct job searches for job openings from here to Maine. Registered employers have many options: they can ask local staff to search for job applicants and/or use the "America's Job Bank" electronic system to directly post their job orders, read date-managed resumes in the talent bank, and customize future searches. These developments are essential to meeting the challenge of improving customer services and are key self-service features of the state's WorkSource system.

Workforce Development Programs

The following describes workforce development agencies and their programs and strategies listed by the three challenges in the Governor's Executive Order.

Challenge One: **Closing the Skills Gap**

K-12 System

Overall policy for K-12 school systems is set by the State Board of Education, whose members are elected by local school boards. The Board's executive officer is the Superintendent of Public Instruction, an elected state official who administers the **Office of Superintendent of Public Instruction (OSPI)**. The Academic Achievement and Accountability Commission has recently been established to oversee the state's K-12 accountability system. Locally elected school boards set K-12 policy at the district level. Districts with approved high school vocational education programs are required to have general advisory councils and a program advisory committee for each vocational program. Composed of representatives of business and labor, these councils and committees help schools match their programs to the needs of local industry.

Building A Performance-Based System through K-12 Education Reform

The education we offer students in our primary and secondary schools provides a critical foundation for learning throughout their lives. It must provide the high level of academic skills students will need as adults, as citizens, and as employers and employees.

In Washington, we are building a foundation of success for all children and youth through the high standards of academic achievement called for in Washington's Performance-Based Education Act of 1992 and the Education Reform Act of 1993. The education reform legislation set the following four goals for student learning:

- **Goal One:** Read with comprehension, write with skill, and communicate effectively and responsibly in a variety of ways and settings.
- **Goal Two:** Know and apply core concepts and principles of mathematics, social, physical, and life sciences; civics and history; geography; arts; and health and fitness.
- **Goal Three:** Think analytically, logically, and creatively; and to integrate experience and knowledge to form reasoned judgments and solve problems.
- **Goal Four:** Understand the importance of work and how performance, effort and decisions directly affect future career and educational opportunities.

Students will be required to demonstrate their knowledge and abilities in the basic academic subjects of reading, writing, communications, mathematics and science as they progress through the K-12 system. Future plans are to add a requirement for demonstrating competency in the additional subjects of social studies, the arts, and health and fitness. Students who pass assessments of these academic competencies at the high school level (demonstrating proficiency on the Washington Assessment of Student Learning—the “WASL”) are to be awarded a Certificate of Mastery. The Certificate of Mastery is a requirement for high school graduation, but not the only requirement. The State Board of Education will determine what else should be required for graduation.

Rethinking High Schools

In the knowledge-based economy of today, secondary education will provide a critical first step in preparing students with the understandings stated in Goal Four. As *all* students work to achieve the Certificate of Mastery, *individual* students will want to pursue their unique educational and career goals. High schools around the state are re-examining how they structure their curricula to prepare students for a full range of options after high school, whether they want to go from high school to full-time employment, apprenticeship, postsecondary vocational education, baccalaureate institutions, or something else.

For virtually all students, whatever option they take upon leaving high school will eventually lead to the workplace. Whether they enter the state’s workforce as student employees, as summer workers, or as full-time entry-level employees, Washington’s youth must be prepared to be productive and successful. As an increasing number of college students work part and even full-time, the importance of basic work place competencies also increases for all students. And general workplace skills are increasingly being demanded by businesses moving to a high performance style that demands higher teamwork and problem-solving skills from even its front-line workers. Throughout Washington, secondary educators are working to increase students’ awareness of basic workplace competencies and technical skills they will need to build and sustain a livable wage throughout their lifetime through a variety of school-to-career strategies.

The Education Reform Act of 1993 requires high schools to provide educational pathways for students. High schools are beginning to organize sequences of classes and activities that contribute to preparation for occupations of a similar kind in these educational or career pathways. Students document their progress in their chosen pathway through individual portfolios and demonstrate their acquired skills through a project or projects.

Sidebar: **The Four P's – Model Schools**

Through a federal School-to-Work grant, OSPI is currently funding five high schools that are demonstrating ways to help organize their courses and structure to facilitate effective student transition to life beyond high school—Nooksack Valley, Pasco, Sumner, Wapato, and West Seattle. These high schools are committed to stronger relationships with business and labor, postsecondary educators, and community representatives. They are involving these partners in education to help students better understand the choices and immense opportunities that await them. While the programs at each high school reflect different points of emphasis, all are organized around the four “P’s”:

- **Learning pathways** – an organized sequence of classes and activities that contribute to preparation for occupations of a similar kind (health or business, for example).
- **A learning portfolio** – a collection of student work and achievements used by the student to document progress along the pathway.
- **A culminating senior project** – a project completed by the student illustrating his or her pathway work, usually presented to a panel of community reviewers for evaluation.
- **A 13th year plan** – a student’s individual plan for the year after graduation, including the steps needed to accomplish the goal (completing the first classes of an articulated program, preparing to meet baccalaureate admission standards or earning industry certification, for example).

As K-12 education reform proceeds, there will be increasing attention paid to the contribution to the role of high school years to student achievement. The State Board of Education is currently examining what students need to know and be able to do beyond the Certificate of Mastery at the time of graduation. They are exploring the development of individual plans within career pathways and the concept of a culminating senior project that demonstrates skills learned.

The new Academic Achievement and Accountability Commission will also have a very significant impact on the attention that K-12 educators pay to teaching workplace and technical skills. The Commission is charged with overseeing the K-12 accountability system and has broad authority to adopt performance goals and establish accountability measures for Washington schools.

Valuing Career and Technical Education

One important way that secondary students prepare for their working futures is through career and technical education (what is commonly called vocational-technical education). **Career and technical education programs** are provided in 240 school districts. In addition to state funds, federal funds through the **Carl D. Perkins Vocational and Applied Technology Education Act** are also used to improve vocational education programs by integrating academic and vocational education through coherent sequences of courses so that students achieve both academic and occupational competencies. Many schools are reorganizing vocational courses to integrate

vocational and academic learning in educational or career pathways related to large occupational fields or industries, such as Business and Marketing, Science and Agriculture, Health and Human Services, and Technology and Industry.

Vocational-Technical Education Mission Statement: Secondary vocational-technical training programs provide for the vocational interest of students and the need of industry for a skilled workforce. The program’s statewide mission is to prepare all learners for successful roles in families, careers, and communities.

Currently, the State Board for Education requires that all students complete at least one year of an approved vocational education course. Some students complete an entire vocational sequence involving several courses; others take a single course. The extent of vocational offerings varies significantly, however, with district size, location, administrative support, and philosophy, resulting in mixed and inconsistent experiences and opportunities for our state’s high school students. OSPI is currently revising the program standards for vocational-technical education to align them with industry-based skill standards.

Ten regional “**skills centers**” operate under cooperative agreements among two or more school districts. Skills centers allow districts to share the costs of providing well-equipped and staffed sites for vocational and technical education. Skills centers clearly illustrate to many students, including many students at risk of dropping out of school, the direct connection between academic and technical skills and their working futures. Further, some skills centers are providing programs to recapture high school dropouts who need to complete high school but who have difficulty returning to traditional high school campuses.

Creating Partnerships with Postsecondary Education and Training

In order to improve transitions to life after high school, schools are partnering with community and technical colleges and baccalaureate institutions to improve the coordination of secondary and postsecondary education. Running Start, Tech Prep (2+2), College in the High School, Advanced Placement courses—all of these are examples of options increasingly available to students so that they can prepare for their education after high school. Schools are also partnering with apprenticeship programs and directly with employers to enable students seeking preparation for specific kinds of employment to do so right in high school.

Sidebar: An Exemplary Tech Prep Model – Walla Walla

Walla Walla Community College and Walla Walla High School have entered into a Tech Prep partnership that provides students the opportunity to earn community college credits in the following program areas while completing classes at the high school: Agriculture Education; Automotive Mechanics; Business Education; Industrial Technology; and Computer Technology.

Participating students are required to achieve identified competencies and maintain and present a Tech Prep Portfolio. The portfolio includes an introductory letter, a resume, a competency profile and/or industry examination profile, examples of work, and a certificate of completion.

Postsecondary Skills Training and Retraining

Most of the students who graduate from Washington's high schools today will enroll in some form of postsecondary education or training. The largest number of high school graduates will attend the state's community and technical colleges.

A nine-member State Board for Community and Technical Colleges, appointed by the Governor, oversees the community and technical college system. Each college district has a board of trustees and a general advisory council and/or program advisory committees of labor and business representatives to approve, design, and modify occupational programs. Input from advisory committees is considered essential to high quality training programs. Program advisory committees bring their industry expertise to bear in updating curricula, identifying new technologies to be obtained, and participating in the hiring of key instructors.

These colleges are the backbone of the state's adult workforce training system, providing preparation for some 200 technical and professional occupations. The state's community and technical colleges served 457,580 students from July 1, 1998 through June 30, 1999 at over 600 sites. These sites include 32 primary campuses and multiple extension sites, including branch campuses, technology centers, business centers, and state prisons. Community and technical college services are available in every county across the state. Forty-two percent of the students at community and technical colleges enroll in vocational course offerings, including: job-preparatory training; related classroom instruction for apprenticeship programs; retraining for dislocated workers; and the upgrading of skills for those already employed. In 1998-99, 179,367 of the students at community and technical colleges were enrolled for these workforce purposes. Besides vocational training, the other mission areas of the colleges are basic skills education, academic transfer to baccalaureate programs, and opportunities for avocational course work.

SBCTC's Workforce Training Mission Statement: Job training and retraining programs at community and technical colleges will help students learn a full range of pre-college and basic skills, academic and technical skills they need to get high-wage jobs, and adapt to future career changes.

- The colleges will work closely with employers and labor groups, as well as former students, to make sure their training programs lead to job opportunities for highly trained graduates in emerging, high-wage career fields.
- Colleges will work with employers, labor groups, and economic development organizations.
- Public sector employment specialists to ensure that job training programs are relevant to local needs and enable students to get jobs close to home.

- Job training programs also will be designed to train workers in fields whose services are highly valued in society, such as health care and child care.
- Colleges and the college system will collaborate with public and private organizations to cover the cost of starting or revamping programs and to ensure that instructional equipment remains up-to-date.

In addition to state money, federal funds from the Carl D. Perkins Act help students to obtain skills and competencies needed to work in today's technologically advanced society. The funds are also used to help colleges develop competency-based curricula and competency-driven training for instructors, counselors, and administrators.

Sidebar: New Investments in Training for High Wage, High Demand Jobs

- In response to the Governor's request, the 1999 Legislature appropriated \$4.75 million to the Higher Education Coordinating Board (HECB) to contract for 500 full-time equivalent undergraduate students in high-demand fields and programs in the 2000-2001 academic year. Participating institutions are to report on the degree of improved access to programs and successful job placements.
- The 1999 Legislature also acted on the Governor's information technology training initiative by appropriating \$5.5 million for grants (matched by industry) to secondary and postsecondary institutions for information technology and computer training. Priority was given to grants that prepare students to meet industry standards or achieve industry skill certificates.
- Community and technical colleges throughout the state have pooled their existing resources to create a \$375,000 fund to develop 20 vocational courses for distance learning. The focus of the courses will be on the high demand fields of health, business, and technology.

Developing Industry-Based Skill Standards

The community and technical colleges are engaging businesses and labor to define the skills they require. These voluntary "skill standards" provide the framework for:

- Assessing training needs.
- Communicating performance expectations to employees.
- Clarifying expectations among employers, students, and educators.
- Facilitating curriculum that matches workplace requirements and improves the employability and productivity of students.

- Articulating with secondary programs.

Industry-defined skill standards specify what employees must know and be able to do within a particular industry and occupation thus enabling instructors to prepare students for success.

Skill standards will be the glue that holds the training system together, enabling vertical and horizontal articulation between programs.

SBCTC has organized partnerships among industry groups, two-year colleges, K-12 schools, and four-year universities to develop skill standards. Steps include: 1) compiling employer skill requirements; 2) convening employer/worker focus groups to determine skill relevancy to the state labor market; and 3) validating the work through representative samples of the industry. Business/labor/education advisory committees are developing assessment tools to measure students' skill levels, and are working with faculty to create curricula designed to teach to the standards. Currently, 18 different projects identifying skill standards are completed or in various stages of development: information technology, allied oral health, cosmetology, telecommunications, chiropractic technicians, manufacturing, retail/wholesale trade, natural resources technology, secondary wood products, law enforcement, food processing, audiology/hearing aid technology, early childhood education, vocational instructors, para-educators, travel and tourism, and optician technology. Washington is also working with neighboring states to develop portable skill certificates for the retail and financial services industries.

With skill standards, programs will be able to recognize the skills of incoming participants, no matter where those skills were learned—on a job, in high school, at a two-year college, or through some other public or private program. Instructors will not have to repeat what participants already know. And, when individuals are certified as meeting industry standards, employers will have a convenient tool by which to judge the skills of job applicants.

Sidebar: **High Tech Learning Centers**

The Northeast Vocational Area Cooperative is developing High Tech Learning Centers that utilize an information technology skill standards-based curriculum with a module format developed by Bellevue Community College. The curriculum consists of a total of 22 modules (15 in year 1 and 7 in year 2) and covers basic computer skills, word processing, spreadsheet, database applications, graphics, presentation software, programming, networking, and more technical computer information.

Each program module includes learner program outcomes, prerequisites, estimated total teaching time, assessment activities, and outside readings and other resources. Lesson plans detail student activities, specific competencies, and previous lessons or experience essential to successfully learning the current lesson. The curriculum was developed by teachers for teachers and includes a

variety of strategies related to real life situations that the student might face in the information technology industry.

The curriculum covers five major program areas in information technology: Programming, Networking, Web Authoring, Multimedia, and Animation. Students receive college credit or industry certification while in high school. Future plans include having two-year technology information degrees recognized in baccalaureate institutions similar to the AA degree.

Apprenticeships

Studies indicate that the integration of classroom and on-the-job training is an effective way to teach vocational skills. An example of this type of learning has been in place for centuries—apprenticeship. Contributions from employers, journeyman workers, and apprentices fund approximately 300 apprenticeship programs, which enrolled 13,500 apprentices from December 1, 1998, through November 30, 1999. State funds support the administration of standard setting for these programs. The primary program goal is to promote the development and implementation of structured on-the-job training programs that are supplemented with related classroom instruction. These programs are designed to provide individuals with the ability to progress from entry-level to fully qualified journey-level workers. Standards for apprenticeship agreements include a progressive increase in wages over time as new skills are mastered.

The Washington State Apprenticeship and Training Council oversees apprenticeship training programs statewide. The Council's administrative arm is the Apprenticeship and Training Division of the Department of Labor and Industries.

Apprenticeship programs are supervised by joint labor-management committees that approve curricula, monitor quality, screen and select applicants, and ensure that skills are portable. The principles of apprenticeship—learning while earning, mentorship, skill certification, and skill portability and upgrading—could be extended to many other occupations.

Private Career Schools

To obtain or upgrade the skills needed in the labor market, many Washingtonians use private sector providers of workforce training.

Private career schools are independent businesses, most of which are small and provide occupational training. They provide training at the sub-baccalaureate level. Two hundred thirty private career schools offer diploma or certificate granting programs in Washington, providing 125 different instructional programs to 26,948 students in 1997-98.⁹

No public funds are appropriated for private schools, although eligible students may obtain federal grants and loans to pay for educational expenses if the school they choose has been authorized to participate in U.S. Department of Education student aid programs. Approximately 50 private career schools are also currently approved by the Workforce Board to train eligible veterans and dependents, thus providing access to Veterans Administration educational benefits.

⁹ This does not include cosmetology schools that are licensed by the Department of Licensing.

Private career schools are partners in the workforce training and education system, voluntarily contributing to many aspects of the system's growth and development. They gather and report annual demographic data of value to WTECB's "Gap Analysis" and are active contributors to the accountability system and, beginning this year, the new "consumer reports" system.

Challenge Two: Incumbent and Dislocated Workers

Employer-Provided Training

The vast majority of Washington employers offer their employees some sort of formal training. According to a 1999 Workforce Board survey of Washington employers, on-the-job training is provided by 85 percent of all employers. Most commonly, employers provide training for their employees during the performance of their regular job duties. As an example, co-workers often teach an employee how to operate a machine while they themselves are producing a product.

Less common is employer-provided training in a classroom, workshop, or seminar setting. Over the past year 49 percent of Washington employers offered at least four hours of such training to their employees. Employer-provided classroom training usually addresses general workplace practices such as safety or job-specific skills. Only about 7 percent of employers offer instruction in the “basic” skills of reading, writing, and mathematics. Studies consistently reveal that managers are more likely than production or service workers to receive classroom training from their employer. On-the-job training, however, is just as likely to be received by managers and wage workers.

Asked why they don’t provide classroom training, slightly more than 45 percent of employers indicated they were constrained by a lack of resources. Thirty-five percent say they are concerned about employee turnover—that is, providing skills to employees who will then leave for higher paid employment.

To provide classroom training, employers most commonly turn to a private vendor or their own personnel. Only 10 percent of all firms have an arrangement with a community or technical college, and only 4 percent have used a four-year college or university to provide classroom training to their current workers. A substantial portion (51 percent) of employers who do not use a community or technical college say they believe the colleges do not supply the kinds of training needed by their employees. The large majority of employers who have used a community or technical college to provide training, however, report that they were satisfied with the training (48 percent were very satisfied and 45 percent were somewhat satisfied).

Overall, employer-provided classroom training is on the rise. In the last three years, 38 percent of Washington employers increased the number of employees they trained. Almost all other employers held the number steady.

Informal learning in the workplace is also an important training element for incumbent workers. Informal learning is not the result of employer focused classroom training and professional development activities, but instances occur informally through daily activities and the organizational structure.

Informal learning meets individual and organizational needs, including the need for employee participation in decision-making processes in high-performance work organizations. Such learning is embedded in organized work activities and varies in frequency based on contextual factors specific to the industry, the company, and the individual. Informal learning includes information that is task-specific as well as broad skill development (intrapersonal, interpersonal, and cultural).

Customizing Training for Industry

While businesses contract directly with community and technical colleges to provide training, they can sometimes qualify for state assistance. The **Job Skills Program (JSP)** was created by the Legislature in 1983 to bring employers who have specific training needs together with educational institutions that can provide training to meet their needs. JSP supports customized training for new employees, retraining to prevent dislocation, and training to upgrade the skills of current workers.

During the last biennium, JSP funded 24 projects, involving 21 community and technical colleges, one community-based organization, one private vocational school, one training trust, and 78 businesses throughout the state. Of the 1,585 individuals who completed training and retained employment, 951 were new employees and 634 were employees who received training to upgrade their skills.

JSP provides training for firms newly recruited to the state and supports other economic development strategies, such as the spread of high-performance work practices and growth in key economic sectors.

The state's investment in JSP is very modest. Before this year, Washington's program invested less in customized training than any other state. This year JSP funding is increasing, but Washington still ranks about 40th in the nation in the amount of publicly funded customized training.

JSP illustrates the vital importance of connections between workforce development and economic development. Workforce training must be linked to economic development strategies so the supply of highly skilled workers is coordinated with demand, and training investments help generate family-wage jobs. As discussed in the first chapter, Washington employers are facing a severe shortage of skilled workers. This shortage is most severe for job applicants with postsecondary vocational skills. Even counting the thousands of workers moving to Washington each year, the state training system does not supply enough workers with the job-specific skills that employers demand. This shortage is limiting the economic development of the state by curtailing productivity, production, and quality.

To improve this situation, the Governor has directed the local WDCs to ensure a link at the local level between workforce development and economic development activities.

Business Retention and Expansion

Sixty to eighty percent of all new jobs are created by existing businesses. Local companies are valuable resources that communities can't afford to ignore or lose. The earnings they generate multiply throughout local communities, creating new jobs, businesses, and tax revenues.

The Department of Community, Trade and Economic Development's **Business Retention and Expansion (BRE) program** works to retain and expand manufacturing and processing firms and to reduce the number of business failures and out-of-state expansions.

Annually, the BRE program awards five to seven competitive grants to county Economic Development Councils for local retention and expansion programs. State and local program staff identify threatened and expanding manufacturing companies, and provide problem solving and other technical assistance to these firms. The program also conducts early warning/business surveys, coordinates services and resources, assesses industry issues, and helps to build the capacity of local economic development councils.

The BRE program has helped retain and expand 332 manufacturing/processing firms in its 11 years, resulting in the creation or retention of over 23,000 jobs and 75 million dollars in state tax revenue. For every state dollar spent the program has retained an estimated \$14 dollars in state revenue.

In FY 98, special focus was added for business retention in rural counties. Participating counties identify their significant businesses and industry sectors in addition to manufacturing and processes. In these projects, local economic development council staff and trained volunteers conduct in-person surveys with management from the significant companies in the county. The survey process assists local staff identify individual and community retention and expansion issues, including workforce needs. In addition to providing problem solving and technical assistance to specific firms, a community taskforce develops a plan to address community barriers identified by the local business. A standardized state survey tool is used that allows state program staff to identify statewide or regional business issues.

Washington State's investment in business retention and expansion is significantly less than the majority of states.

Aiding Dislocated Workers

When the federal unemployment insurance system was created, the most common cause of unemployment was reductions in demand due to the business cycle. At that time, a laid-off worker had a reasonable expectation of returning to the same job or obtaining the same type of job in another firm within about six months after the economy moved out of the bottom of the cycle.

While this is still true for some industries, increasingly, lay-offs in today's robust economy are due to structural changes as we move from a resource-based economy to a knowledge-based economy. Laid-off employees will not be called back by employers who have closed or moved or eliminated the need for certain types of skills. Workers who have lost these jobs often find the skills they have are obsolete in the rapidly changing the market. Before they can become re-employed, they often need training to upgrade their skills or acquire new ones.

WIA continues funding, under **Title I-B**, for employment and training services for **dislocated workers** replacing Title III of the Job Training Partnership Act (JTPA). These services include rapid response services for workers and firms facing substantial layoffs, including establishing fostering labor-management committees and pre-feasibility studies among other practices. Up to 25 percent of the funds are used to support rapid response services to employers and worker representatives after a business closure is announced. Under WIA, all dislocated workers are eligible for core services, such as job counseling and job availability information. They will also be able to access intensive services and training services when necessary to find suitable employment. Under JTPA Title III, 15,079 dislocated workers were served from July 1, 1998 through June 30, 1999. During this time there were approximately 38,000 dislocated workers in Washington. For the fiscal year beginning July 1, 1999 federal funding was reduced by 44 percent, although the number of dislocated workers increased to about 46,000.

Dislocated workers under WIA are defined as individuals who:

1. Have been terminated or laid off or who have received a notice of termination or layoff from employment, and
2. Are eligible for or have exhausted their unemployment compensation, or determined to be attached to the workforce by a one-stop center, and are unlikely to return to their previous industry or occupation, or
3. Have been laid off or will be laid off as a result of a plant, facility, or enterprise closure, or
4. Was self-employed, but is unemployed as a result of general economic conditions in his/her community, or
5. Is a displaced homemaker.

The **Worker Retraining Program** supports training opportunities for dislocated workers and long-term unemployed workers at community and technical colleges and private career schools. The program served 10,789 unemployed workers in 1998-99. The colleges provide training in basic skills and literacy, vocational education, and related or supplemental instruction for apprentices. Students who qualify for the program may receive financial assistance that can help with their tuition, as well as offset the costs of child care and transportation. After their unemployment insurance runs out, students may receive additional financial assistance to help with living expenses. Training programs must prepare students for occupations that have demonstrated employment demand for qualified workers and lead to jobs providing a living wage appropriate to the local labor market.

Challenge Three: **Wage Progression for Low Income Workers**

Removing Barriers for the Disadvantaged

The federal government has often created employment assistance programs targeted to unemployed youth and disadvantaged adults with multiple barriers to employment. The resulting proliferation of separate programs has made it difficult for people to know what services are available for them and where they can get them. WorkSource will provide a one-stop point of access for multiple programs offering services to the disadvantaged as well as incumbent and dislocated workers.

One of the main federal programs serving the disadvantaged, JTPA Title II-A, is being replaced on July 1, 2000, with the **WIA Title I-B Adult Training Program**. While services and training targeted to low-income adults under WIA, Title I-B will be accessed through the WorkSource system, such services and training may be conducted through contracts with schools, public agencies, and community-based organizations, among other entities.

Core services, such as job counseling and job availability information, will be available for all workers, including those who are disadvantaged. Unemployed individuals who have been unable to find jobs and those who are employed but need additional services to reach self-sufficiency will be able to access “intensive services.” Intensive services include comprehensive assessments, individual counseling, employment planning, and short-term prevocational services. Third tier “training services” will be available to adults who meet intensive service eligibility but were unable to find employment through those services. Training services will be paid for using a voucher system designed to encourage customer choice. Under JTPA Title II-A, 6,512 adults were served from July 1, 1998, through June 30, 1999.

The Employment Security Department is the state administrative agency for WIA Title I-B, employment statistics, and implementation of the WorkSource service delivery system. Employment Security also administers the unemployment insurance program, employment services under the Wagner-Peyser Act, and the U.S. Department of Labor Welfare-to-Work program.

ESD Mission Statement: The mission of ESD is to help people succeed throughout their working lives. ESD carries this out by supporting workers during times of unemployment, by connecting job seekers with employers who have jobs to fill, and by providing business and individuals with the information and tools they need to adapt to a changing economy.

Under **WIA Title I-B**, funds are also specifically provided for a **Youth Program** to prepare low-income youth for academic and employment success. Eligible youth from ages 14 through 21 are assessed to determine their academic and skill levels. Service strategies will then be provided as appropriate including counseling, tutoring, adult mentoring, study skills training, instruction leading to high school completion or its equivalent, paid and unpaid work experience, occupational skills training, summer youth employment, and supportive/follow-up services. Youth from 18 through 21 may also be enrolled in the WIA Title I-B adult program. Under JTPA youth programs, a total of 3,396 youth were served in Title II-C programs from July 1, 1998, through June 30, 1999. In addition, 5,638 youth were enrolled in the 1999 Title II-B Summer Youth Program.

Increasing Adult Literacy

Adult Basic Education Mission Statement: Washington State's Adult Basic Education system helps adults become more self-sufficient by being able to function independently, be more productive in a global economy, and exercise the rights and responsibilities of citizenship.

The **Adult Education and Basic Skills** program provides services and instruction in adult education and literacy services from federal and state funds, including adult literacy, family learning, workplace skills enhancement, English language instruction, citizenship classes, and high school equivalency preparation. The program is provided by a network of organizations, including community and technical colleges, community-based organizations, correctional facilities, libraries, volunteer tutoring programs, and corporate training programs. The adult education and basic skills program develops the literacy skills and knowledge needed by adults to obtain employment and be self-sufficient, to help their children learn, and to complete a secondary school education.

The **English-as-a-Second Language** (ESL) portion of the adult education and basic skills program increases the ability of eleven community and technical colleges and three community-based organizations to provide ESL and basic life skills instruction to immigrants and refugees who would not otherwise be served by existing programs. Every community and technical college in the state has a waiting list of immigrants and refugees who must learn English in order to earn a living wage.

The Washington State Plan for Adult Education and Family Literacy requires better efforts to coordinate statewide entities that serve this population, to integrate such services with occupational skills training, and to provide instruction and assessment that is based on specific applied learning standards for literacy ("Equipped for the Future" or EFF standards). The work-related portion of the state's adult education and basic skills delivery system served 26,800 adults from July 1, 1998, through June 30, 1999, including participants in the Families That Work and WorkPlace Basic Skills programs described below. However, it is estimated that approximately 90 percent of adults in need of literacy and basic skills development do not receive help.

Statewide literacy efforts are directed by the **Office of Adult Literacy** at SBCTC and advised by the Washington Advisory Council on Adult Education. The Council advises the Governor, the SBCTC, and the Workforce Board on a variety of matters including recommendations on the development and implementation of measurable state literacy and adult education goals. The Office of Adult Literacy administers the federal Adult Education Act grant and prepares a five-year state plan for adult education.

The state funded **Families That Work** program, administered by SBCTC, assists hard-to-employ and low wage earning parents with low basic skills in finding success at work while stabilizing their families. The program includes basic skills taught in the context of work and family management, and parenting education. The program enhances the ability of parents to assist and support their children in the learning process and increases employability for unsubsidized work. Funding for the program is now supplemented by WorkFirst funds. Five hundred seventy-one individuals participated in this program in 1998-99.

Federal funds support the **Even Start Family Literacy Program** administered by OSPI. This program provides interactive literacy activities between parents and children, training for parents as the primary teachers of children, parent literacy training, and age-appropriate education to prepare children for success in school. The program goal is to break the cycle of poverty and illiteracy by improving educational opportunities for low-income families.

State funds from the SBCTC budget and WorkFirst funds support the **Workplace Basic Skills** program as well. This program provides customized, on-site instruction to workers in adult basic skills and English-as-a-second language competencies. Those competencies are taught in the context of each specific work site from the perspectives of the employer and the worker. Seven hundred fifty-three persons were served in this program in 1998-99.

The WorkFirst program has also developed a special program for its participants who have difficulty communicating in English. **The Limited English Proficient (LEP) Pathway** blends ESL instruction (clients are placed in one of three proficiency categories to determine what services they need), job search assistance, work, or work-like activities. Those who are employed remain eligible for post-employment services. Over 60 percent of the families who need LEP services are former refugees who come to this country with intact families.

WorkFirst

WorkFirst is the state's welfare-to-work program for recipients of Temporary Assistance to Needy Families (TANF) and other low income individuals. The Department of Social and Health Services is the lead agency for WorkFirst in partnership with the Employment Security Department, the State Board for Community and Technical Colleges, and the Department of Community, Trade and Economic Development. WorkFirst requires TANF participants to prepare for, find, and maintain employment leading to self-sufficiency. They enter into a "personal responsibility contract" that includes an assessment of skills, prior work experience and employability and outlines the actions that will be taken to achieve the plan's goals.

In addition to the basic work search program, WorkFirst programs include:

- The **Community Jobs** program provides temporary community-based work and skill building experience to public assistance recipients who are encountering barriers entering the regular job market. The State Department of Community, Trade and Economic Development administers the program through contracts with community-based organizations to provide local service. Services include establishing work sites and providing participants intensive supervision, personal development and support services. Job sites are in nonprofit organizations, educational institutions, and local, state, federal, and tribal governments. Each participant agrees to an Individual Development Plan (IDP) to be completed with the contractor during the job experience.
- The **Pre-Employment Training** program is the only component of WorkFirst that provides participants with training prior to employment. The program consists of up to twelve weeks of intensive training for above entry-level job openings of particular employers. Students learn basic and occupational skills customized to the partner businesses. The training program standards are developed by colleges and private institutions in cooperation with the employers. The program served 1,069 people and involved over 250 companies in 1998-99.
- **Re-employ Washington Workers (RWW)** is a voluntary, intensive eight-week job search program targeted at low income unemployment insurance claimants who are former welfare recipients or who have never received welfare. The program includes a 30 hour job search workshop, a highly structured job search, a customized labor market portfolio, job referrals, placement activities, and post-employment services. The program also provides low cost childcare assistance for participants engaged in job search activities and a cash incentive of up to \$300 for clients who rapidly enter the labor market and are still working twelve weeks later. Two hundred thirty-three individuals at six sites were served in the pilot phase of this program from February 1999, to June 1999. Ten additional sites were opened in July, 1999.
- **Washington Post-employment Labor Exchange (WPLEX) program** contacts employed WorkFirst or former WorkFirst participants by telephone in order to assist them in getting a better job that will provide a path to self-sufficiency. Services include case management for job retention issues, arranging on-the-job training, and providing information on obtaining a higher paying job or additional training. Over 70,000 clients have been contacted through WPLEX.

Washington State also receives a Department of Labor **Welfare-to-Work** grant. The program is directed at the hardest to serve among welfare recipients. Clients are primarily long-term recipients who lack a high school diploma or GED and have low reading or math skills, require substance abuse treatment, and/or have a poor work history. While emphasis is placed on serving WorkFirst participants, the program also targets the inmate population of Washington's correctional facilities and non-custodial parents. To date, 2,400 clients have enrolled.

Nontraditional Employment for Women

To the extent that women remain concentrated in occupations and industries that do not provide them with compensation sufficient to support themselves and their children or offer opportunities for advancement, these families will continue to remain within the boundaries of poverty. Women, however, tend to enter fields of study for occupations that pay less than the fields dominated by men. For instance, only 13.3 percent of enrollees in apprenticeship programs from December 1, 1998, to November 30, 1999 were women. Providers such as Apprenticeship and Nontraditional Employment for Women (ANEW) and Columbia Industries have designed programs to meet this unique training need. These providers specialize in recruitment, counseling, life skills training, and job search and placement assistance to assist women interested in entering and progressing in trades careers.

Sidebar: *Columbia Industries*

Columbia Industries' Nontraditional Employment for Women (NEW) program provides training for women seeking employment in fields that are populated by less than 25 percent women. The program model provides an individualized service strategy/training plan to allow women to be competitive with men in male-dominated careers. Services include vocational assessment, career exploration, physical fitness training, pre-employment technical skills training, basic skills remediation provided through an on-site private career school, job search assistance, work experience, and some on-the-job training. Short-term training/certifications can be provided.

NEW served 45 women in 1998 with an 85 percent placement rate. The average wage was \$10.31 per hour. And 90 percent of the women kept their jobs.

Improving Earnings for the Disabled

Another challenge in improving the earnings of low-income individuals is finding ways to increase employment, and the quality of that employment, among those who are disabled. As discussed in Chapter 2, there is a high degree of unemployment and underemployment among individuals with disabilities.

The Division of Vocational Rehabilitation (DVR) provides a full range of vocational services. Specifically, DVR determines eligibility for services, conducts a vocational assessment of interests and abilities, provides labor market information, develops an individual employment plan, assists in job search activities, makes referrals for job training services, provides physical and mental restoration services, and conducts follow-up services to people with significant disabilities. The primary objective of rehabilitation services is full-time integrated employment, although other employment outcomes, such as part-time employment, self-employment, homemaking, sheltered employment, or supported employment, can be objectives as well. DVR has recently adopted an “informed choice” policy which provides a way for clients to make reasonable decisions by comparing meaningful options and choosing one that matches their individual strengths, needs, capabilities and interests. In 1998-99, 26,000 individuals were served.

Division of Vocational Rehabilitation Mission: To enable individuals with disabilities to obtain and keep employment.

Department of Services for the Blind

The Department of Services for the Blind (DSB) administers vocational rehabilitation services for individuals with limited vision. DSB services include vocational rehabilitation, assistive technology, and job retention and employer services. Vocational rehabilitation services include determination of eligibility, assessment of interests and abilities, rehabilitation planning, training, job placement, and follow-up services. During the 1998-99 year, 967 individuals were provided services through the vocational rehabilitation program. DSB also operates the Business Enterprise Program that provides training and licensing for the operation and maintenance of vending machine/food service management facilities in public buildings. There are currently nineteen operators in the Business Enterprise Program.

Department of Services for the Blind Mission: To promote the economic and social independence of people who are blind or visually impaired through employment, training, and other opportunities.

PERFORMANCE ACCOUNTABILITY

Introduction

In order to meet the challenges of the competitive economy, the changing composition of our labor force, and make best use of increasingly scarce resources, the workforce development system must continuously improve its performance. What counts is results in meeting the needs of the customers—students, job seekers, workers, and employers. The workforce development system must continuously measure results, identify areas to improve, and make the necessary improvements.

Until recently, Washington State did not have an accountability *system* for workforce development. What we had were separate accountability activities for many of our programs.

Because these accountability activities were developed in order to meet separate program missions and requirements, they did not add up to systemwide accountability. There were no agreed-upon measurable goals for the system as a whole and no standards for collecting data in a consistent fashion from agency to agency. Often, data collection focused on inputs rather than results. Some programs did not evaluate what happened to their participants once they left their program, nor did they use program results to guide improvements. This has all begun to change.

Performance Management for Continuous Improvement

In January 1996, after a nearly two-year effort led by the Workforce Training and Education Coordinating Board (Workforce Board) and supported through the National Governors' Association (NGA), the major workforce development programs adopted the design for a new accountability system, "Performance Management of Continuous Improvement" (PMCI). Having a systemwide framework enables workforce development programs to better coordinate services to customers.

This plan takes the PMCI framework and incorporates elements newly required under the Workforce Investment Act (WIA) of 1999 and the Carl Perkins Amendments of the same year. While the federal acts retain certain accountability requirements that are connected to program silos rather than the system, we have tried to continue a system approach to accountability.

The PMCI framework has five basic components:

- I) Desired Outcomes and Indicators of Performance
- II) Performance-Based Consequences
- III) Measuring and Reporting Results
- IV) Continuous Quality Improvement
- V) Implementation Measures.

I. Desired Outcomes and Indicators of Performance

A. System Level

1. Desired Outcomes for the Workforce Development System

PMCI identifies seven desired outcomes for the workforce development system as a whole. The Workforce Board first adopted these outcomes in 1996. These outcomes focus on the difference that workforce development makes in the lives of program participants, their families, and their communities. These outcomes are not static targets but conditions that should be increasingly true for all people. Results on indicators of these outcomes should be measured for the population as a whole, and separately for women, people of color, and people with disabilities.

- **Competencies:** Washington's workforce possesses the skills and abilities required in the workplace.
- **Employment:** Washington's workforce finds employment opportunities.
- **Earnings:** Washington's workforce achieves a family-wage standard of living from earned income.
- **Productivity:** Washington's workforce is productive.
- **Reduced Poverty:** Washington's workforce lives above poverty.
- **Customer Satisfaction:** Workforce development participants and their employers are satisfied with workforce development services and results.
- **Return on Investment:** Workforce development programs provide returns that exceed program costs.

2. Workforce Development Systemwide Indicators

To measure Washington's progress in achieving these outcomes, PMCI includes systemwide indicators. Most of these are measures of the state's whole workforce, not just individuals who have gone through the programs. We want to know how well the whole state is doing, not just the relatively small part of our population who have been program participants.

For each of the desired outcomes, no single quantitative measure can accurately depict the desired results. For example, for the outcome of employment, a low unemployment rate may seem like the best measure. However, a low unemployment rate can be created by a population exodus from an area where total employment is stagnant or falling. Therefore, to measure the desired outcome of employment, we need to measure the unemployment rate, the number of jobs created, and other variables as well.

Each variable is an indicator of how well the state is doing. Viewed in isolation they might be misleading, but together they paint a descriptive picture. By most indicators, there has been substantial improvement in recent years.

Here are the system-wide indicators and the most recently available results:

Competencies

- Percentage of Washington residents age 25 and older who have earned a high school diploma or GED: 83.8 percent in 1990; 93.0 percent in 1998.
- Percentage of Washington residents age 25 and older who have some postsecondary education: 55.9 percent in 1990; 64.8 percent in 1998.
- Percentage of Washington residents age 25 and older who have earned a vocational AA degree: 4.4 percent in 1990; 4.4 percent in 1998.
- The median age of job preparatory graduates from the community and technical college system: 31.1 years in 1995-96; 31.4 years in 1997-98.
- Percentage of workforce training participants who report their job-specific skills improved a lot: 67 percent for 1995-96 participants; 69 percent for 1997-98.
- Percentage of employed former workforce training participants who report their training was related to job held nine months after leaving their program: 69 percent for 1995-96 participants; 64 percent for 1997-98.

Employment

- The proportion of people unemployed or under employed (part-time involuntary) in Washington's labor force compared to the proportion in the United States: 1.43 to 1 in 1996; 1.01 to 1 in 1997.
- The number of new jobs created in Washington per year. (Note: does not include agricultural jobs the count for which is unavailable): 96,400 in 1997; 82,100 in 1998.
- Mean duration of unemployment in Washington compared to the United States: 115 percent in 1997; 128 percent in 1998.
- Percentage of workforce development program participants self-reporting employment six to nine months after leaving their program: and 80 percent for 1995-96 participants; 83 percent for 1997-98.

Earnings

- Mean annual earnings of Washington workers (stated in 1999 dollars in order to control for inflation) \$30,654 in 1996; \$33,778 in 1998.
- Mean hourly wages of Washington workers. (Note: includes only employment covered by unemployment insurance. Stated in 1999 dollars in order to control for inflation): \$14.74 in 1996; \$16.24 in 1998.
- Percent of Washington residents under the age of 65 who are covered by employer-provided medical benefits: 67.2 percent in 1997.
- Median hourly wage of workforce development program participants six to nine months after leaving their program. (Stated in 1999 dollars in order to control for inflation): \$8.21 for 1995-96 participants; \$9.41 for 1997-98 participants.
- Annualized quarterly earnings of workforce development program participants six to nine months after leaving their program. (Stated in 1999 dollars in order to control for inflation): \$13,718 for 1995-96 participants; \$16,200 for 1997-98 participants.

Productivity

- Annual gross business income per worker in Washington: \$205,957 in 1998.

Poverty

- The proportion of Washington residents living below the federal poverty level compared to the proportion in the United States: .91 to 1 in 1995; .69 to 1 in 1997.

Customer Satisfaction

- Percentage of former workforce training participants who are satisfied with program services and results: 89 percent for 1995-96 participants; 89 percent for 1997-98.
- Percentage of Washington employers who are satisfied with the overall quality of former training participants' work: 63 percent in 1997; 73 percent in 1999.

Return on Investment

- The average ratio of training participants' net benefits (projected to age 65) to program public costs: 9.9 to 1 for 1991-92 participants.

B. Program Level

1. Common Program Outcomes and Indicators

Individual workforce development programs, such as secondary vocational-technical education, WIA Title I-B, and apprenticeship each contribute to the desired outcomes for the system. In order to measure the participant results of the programs, PMCI has identified a large number of performance indicators that can be used to measure most workforce development programs.

The Workforce Board uses the common indicators every two years in producing the report, “Workforce Training Results.” The primary purpose of the report, and the common indicators, is to inform continuous improvement in state level policies. The list of common indicators is relatively long, so that the information portrays a fairly complete picture of workforce development outcomes. All the indicators are outcome as opposed to process indicators, and all focus on outcomes for program participants. The focus is on what is good for the customers.

The common indicators and the methodology for measuring the indicators are not permanent. They are continually evolving as we learn more from the research and as the data capacity of programs improves. The PMCI framework endeavors to use indicators that apply, for the most part, across workforce development programs. While the goal is to have consistent indicators and methodology across programs, there remain some differences between programs due to differences in data capability. There are also some differences in the indicators between programs because of differences in the populations served and the purposes of the programs. For instance, an indicator for programs that serve dislocated workers is earnings replacement. Such an indicator does not make sense for measuring programs that provide initial workforce preparation to youth.

The methodology for measuring the results relies as much as possible on administrative records as opposed to program staff or participant self-reports. This data source is used in order to enable as much consistency and objectivity across programs as possible. To measure employment and earnings, the methodology takes advantage of the unemployment insurance wage files maintained by the Employment Security Department (ESD) (and the equivalent agency in other states). These files hold information on all employment covered by the unemployment insurance system—approximately 90 percent of all employment.

Another important feature of the methodology is the use of the time period of seven to nine months after a participant has left his or her program as the key period for measuring post-program results. The Workforce Board and its partner agencies have reviewed the actual results for each post-program quarter for three and a half years following program exit for five of the largest workforce development programs. We have found that the third post-program quarter is the best possible single representation of the programs’ relative and lasting results, without waiting years to obtain long-term results. Longer-term earnings results, however, will also be reported up to two-and-a-half years after program exit.

Following are the most common types of indicators.

(1) Competencies

- a. **Educational credential attainment and industry certification:** The percentage or number of program participants¹⁰ leaving the program that year who were awarded the relevant educational or skill credential based upon administrative records.
- b. **Basic Skills Attainment:** The number and rate of participants leaving the program that year attaining certain basic skills gains based upon individual assessments of skill levels.
- c. **Participant perception of competencies gained:** Percentage of former participants who report their skills improved as a result of the program as evidenced by survey responses from a sample of former participants to questions regarding selected skills.
- d. **Relatedness of Training to Employment:** Employment rate in field related to occupational training as evidenced by survey responses from a sample of former participants.

(2) Employment

- a. **Employment rate of former participants:** Percentage of former participants and the percentage of program completers with employment covered by unemployment insurance and other public administrative records during the third quarter after leaving the program combined with evidence from survey responses of former participants.
- b. **Employment or further education:** Percentage of former participants either employed, in the military, or enrolled in education or training during the third quarter after leaving the program combined with evidence from survey responses of former participants.

(3) Earnings and Reduced Poverty

- a. **Median earnings of former participants:** Median annualized earnings and median hourly wages of former participants and program completers in covered employment during the third quarter after leaving the program, based upon unemployment insurance wage records.
- b. **Longer-term Median Earnings of Former Participants:** Median annual earnings of former program participants and program completers in covered employment during four consecutive quarters after leaving the program, based upon unemployment insurance wage records during post-program quarters three through six and seven through ten.
- c. **Median earnings replacement for dislocated workers:** Median of the ratio of dislocated worker participants' third quarter post-program earnings to their third quarter pre-separation earnings, based upon unemployment insurance wage records.

¹⁰ A participant is an individual who has demonstrated the intent to complete a sequence of program activities.

- d. **Poverty and “Family-wage” Standards of Living:** Percentage of participants with earnings above the poverty level and the percentage above twice the poverty level.
 - 1. The number of individuals that former program participants’ median covered earnings can support at the poverty level, based upon unemployment insurance wage records, during the third quarter after leaving the program.
 - 2. The percentage of former program participants who can support a family of one, a family of two, and a family of three at the poverty level, based upon unemployment insurance wage records for the third quarter after leaving the program.
 - 3. The number of individuals that former participants’ median covered earnings can support at twice the poverty level for a household of three, during the third quarter after leaving the program.
- e. **Employee Benefits:** The percentage of former program participants who receive employer-provided health benefits and the percentage who participate in pension plans during the third quarter after leaving the program.
- f. **Percentage of former participants receiving public assistance:** The percentage of former participants receiving TANF cash assistance during the third quarter after leaving the program based upon administrative records.
- g. **Distribution of Earnings:** The distribution of former participants annualized earnings over the range of earnings of Washington workers. Measured by the percentage of former participants with annualized earnings during the third post-program quarter in each quintile of the distribution of earnings of all Washington workers with covered wages, based upon unemployment insurance wage records.

(4) Customer Satisfaction

- a. **Individual satisfaction** as evidenced by the percentage of a sample of former participants, who report satisfaction in response to a survey.
- b. **Employer satisfaction** as evidenced by the percentage of employers who report satisfaction with new employees who are recent program completers in response to a survey.

(5) Return on Investment

- a. The ratio of program participants’ net increase in earnings and employer-provided benefits compared to the public cost of the program, as measured by non-experimental net-impact cost-benefit evaluations.

2. State Core Indicators

State core indicators are a small subset of the common indicators that serve purposes in addition to informing continuous improvement in state level policies. Core indicators are important for motivating desired behavior by program administrators and staff and for unifying workforce development programs around common purposes. Like the rest of the common indicators, they are also important for providing consistent measures so that, for example “the percentage employed” means the same thing from one program to another.

The Workforce Board will use the state core indicators to measure results of statewide programs, such as secondary vocational-technical education in the state, the results of local workforce development councils, and the results of individual providers, such as particular colleges. These are the indicators, along with federal mandatory indicators, for which the Board will set numerical performance standards for statewide and area results. The Board will use performance against these standards to determine performance-based consequences—incentives, sanctions, or other intervention measures.

The State Core Indicators are:

(1) Employment or Further Education of Former Program Participants

- a. For programs serving adults: The percentage of former participants with employment recorded in unemployment insurance and other administrative records during the third quarter after leaving the program combined with evidence from survey responses of former participants.
- b. For programs serving youth: The percentage of former participants with employment or further education as recorded in unemployment insurance, student, and other administrative records during the third quarter after leaving the program combined with evidence from survey responses of former participants.

(2) Earnings of Former Program Participants

- a. For programs serving adults: The median annualized earnings of former participants with employment recorded in unemployment insurance wage records during the third quarter after leaving the program.
- b. For programs serving youth: The median annualized earnings of former participants with employment recorded in unemployment insurance wage records during the third quarter after leaving the program, measured only among former participants who are not enrolled in further education during the quarter.

(3) Educational Attainment of Program Participants

The percentage or number of program participants leaving the program that year who achieved appropriate skill gains or were awarded the relevant educational or skill credential based upon administrative records.

(4) Employer Satisfaction with Former Program Participants

Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses.

(Note: This indicator is to be measured at the state level, and is not required as an indicator of local education institutions. The Workforce Board will not survey a sufficient sample of former participants to measure satisfaction with each school or college.)

(5) Former Participant Satisfaction

Percentage of former participants who report satisfaction with the program as evidenced by survey responses.

(Note: This indicator is to be measured at the state and area level, and is not required as an indicator of local education institutions.)

3. Federal Core Indicators and State Additional Indicators

The federal Carl Perkins Vocational Education and WIA specify certain mandatory indicators of program results. The mandatory federal core indicators are different for each program. States have the discretion to identify additional state indicators. The identification of additional state indicators enables the state to have some indicators of performance that are consistent across programs and allows states to focus on results they deem truly important and informative to policymakers and program administrators alike. The above state core indicators are additional state indicators for Washington when they do not duplicate federal indicators.

4. Expected Levels of Performance on Core Program Indicators

The Workforce Board has identified expected levels of performance on each of the state and federal core program indicators. The federal WIA and the Carl Perkins Acts refer to these standards as “adjusted levels of performance.” For the strategic and operational plans adopted by April 1, 2000, these expected levels of performance are for secondary and postsecondary vocational education, WIA Title I-B, and WIA Title II--Adult Education and Family Literacy. In future modifications of the strategic and operational plans, additional programs of the workforce development system will be added to this process.

The Board collected and analyzed baseline data on performance for these programs for participants who completed or otherwise left the program between July 1, 1997, and June 30, 1998—program year (PY) 1998. The Board used this baseline data in order to set expected levels of performance for the future. The expected level of performance is not the same for each program. Programs serve different populations for different purposes. Programs that serve youth, for example, should not be expected to have the same performance as programs serving adults. Also, the expected increase is not the same for each indicator. Some areas of performance are more difficult to change than others. In some areas, programs are already performing at or near peak levels, so little if any improvement can be expected. While in other areas, substantial improvements can and should be made. The Board's performance targets for the future focus on improving employer satisfaction, participant earnings, and educational attainment.

The following tables show the federal and state indicators for vocational education, WIA Title I-B, and Adult Education and Literacy and the expected levels of performance for the first three years of the plan. Later, based on actual performance under this plan, the Board will make any appropriate modifications in these levels and identify levels for the 4th and 5th years of the plan. The programs included here will each be operating under new federal statutes beginning July 1, 2000, plus the workforce development system as a whole will be operating under the Governor's new Executive Order 99-02. These changes may lead to unanticipated changes in performance that may require modifications of the expected levels of performance.

State and Federal Core Indicators and Expected Levels of Performance

(In the table, **S** designates state core indicator, and **F** designates federal core indicator. PY 98 refers to the program year from July 1, 1997 to June 30, 1998. Year one refers to year one of this plan which begins July 1, 2000. All dollar amounts are stated in first quarter 1999 dollars to adjust for inflation.)

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
1. Educational Attainment: The percentage of participants who obtained an appropriate credential. S	1. Educational Attainment: The percentage of completers who obtained an appropriate credential. S, F	1. Educational Attainment: The percentage of participants who obtained an appropriate credential. S, F	1. Educational Attainment: The percentage of participants who obtained an appropriate credential. S	1. Educational Attainment: The number of participants prepared for the workforce. S, F	1. Educational Attainment: The percentage of participants who obtained an appropriate credential. S
PY 98: 32% Year 1: 32 Year 2: 35 Year 3: 38	PY 98: 95% Year 1: 95 Year 2: 95 Year 3: 95	PY 98: 21.0% Year 1: 21.5 Year 2: 22.0 Year 3: 22.5	PY 98: 29% Year 1: 29 Year 2: 32 Year 3: 35	PY 98: 14,544 Year 1: 15,430 Year 2: 16,150 Year 3: 17,170	PY 98: 28% Year 1: 28 Year 2: 31 Year 3: 34

Youth			Adults with Barriers			Adults											
WIA Title I-B Youth			Secondary Vocational Education			Adult Basic Skills			WIA Title I-B Adults			Postsecondary Vocational Education			WIA Title I-B Dislocated Workers		
1b. Credential Attainment: Among former training participants, the percentage who complete education or training (a) Younger youth, (b) Older Youth—measured for only those who were employed. F			1b. Nontraditional Education or Training: The percentage of students who (a) participated in and the percentage who (b) completed vocational-technical education programs that lead to nontraditional employment for their gender. F			1b. Literacy Gains: The percentage of adult education students who demonstrate improvements in literacy skill levels. S, F			1b. Credential Attainment: Among former training participants, the percentage who became employed <u>and</u> completed training. F			1b. Nontraditional Education or Training: The percentage of students who a) participated in and the percentage who b) completed vocational-technical education programs that lead to nontraditional employment for their gender. F			1b. Credential Attainment: Among former training participants, the percentage who became employed <u>and</u> completed training. F		

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
Younger Youth Skills Attainment: The percentage of skill goals set for youth aged 14-18 that are attained within one year. F 1998-99 42% 1999-00 50 2000-01 60 2001-02 72					

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
<p>2. Employment or Further Education: The percentage of former participants who were either employed, in the military, or enrolled in education or training during the third quarter after the program. (a) is all youth S, (b) is younger youth. F</p> <p>(Not adjusted yet by survey data)</p>	<p>2. Employment or Further Education: The percentage of completers who were employed, in the military or enrolled in further education or training during the third quarter after leaving. S, F</p> <p>(Not adjusted yet by survey data)</p>	<p>2. Employment or Further Education: The percentage of former participants who were either employed, in the military, or enrolled in education or training during the third quarter after leaving the program. S, F</p> <p>(Not adjusted yet by survey data)</p>	<p>2. Employment: The percentage of former participants who were employed during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S</p> <p>(Not adjusted yet by survey data)</p>	<p>2. Employment or Further Education: The percentage of former participants who were employed or in further education during the third quarter after leaving the program. S, F</p> <p>(Not adjusted yet by survey data)</p>	<p>2. Employment: The percentage of former participants who were employed during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S</p> <p>(Not adjusted yet by survey data)</p>
<p>a b</p> <p>PY 98: 63% 61%</p> <p>Year 1: 63 61</p> <p>Year 2: 65 64</p> <p>Year 3: 66 67</p>	<p>PY 98: 74%</p> <p>Year 1: 74</p> <p>Year 2: 75</p> <p>Year 3: 77</p>	<p>PY 98: 63.0%</p> <p>Year 1: 64.0</p> <p>Year 2: 65.5</p> <p>Year 3: 67.0</p>	<p>PY 98: 69%</p> <p>Year 1: 69</p> <p>Year 2: 70</p> <p>Year 3: 72</p>	<p>PY 98: 75%</p> <p>Year 1: 75</p> <p>Year 2: 75</p> <p>Year 3: 75</p>	<p>PY 98: 78%</p> <p>Year 1: 78</p> <p>Year 2: 78</p> <p>Year 3: 78</p>

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
2b. Entered Employment Rate: The percentage of older youth not employed at program registration who were employed during the first quarter after exiting the program. F PY 98: 71% Year 1: 71 Year 2: 71 Year 3: 72			2b. Entered Employment Rate: The percentage of participants not employed at program registration who were employed during the first quarter after exiting the program. F PY 98: 74% Year 1: 74 Year 2: 74 Year 3: 75		2b. Entered Employment Rate: The percentage of participants who were employed during the first quarter after exiting the program. F PY 98: 79% Year 1: 79 Year 2: 79 Year 3: 80
2c. Retention in Employment: The percentage of older youth who entered employment during the first quarter after exiting the program who were employed during the third post-program quarter. F PY 98: 77% Year 1: 77 Year 2: 78 Year 3: 79			2c. Retention in Employment: The percentage of participants who entered employment during the first quarter after exiting the program who were employed during the third post-program quarter. F PY 98: 82% Year 1: 82 Year 2: 83 Year 3: 84		2c. Retention in Employment: The percentage of participants who entered employment during the first quarter after exiting the program who were employed during the third post-program quarter. F PY 98: 92% Year 1: 92 Year 2: 92 Year 3: 92

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
3. Earnings: The median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S	3. Earnings: The median annualized earnings of completers during the third quarter after leaving the program. (For secondary vocational-technical education, only former participants not enrolled in further education are counted for this indicator.) S	3. Earnings: The median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S	3. Earnings: The median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S	3. Earnings: The median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S	3. Earnings: The median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator.) S
PY 98: \$6,524 Year 1: 6,920 Year 2: 7,680 Year 3: 8,480	PY 98: \$9,516 Year 1: 10,095 Year 2: 10,398 Year 3: 10,710	PY 98: \$15,061 Year 1: 16,458 Year 2: 16,951 Year 3: 17,460	PY 98: \$14,555 Year 1: 15,441 Year 2: 15,905 Year 3: 16,382	PY 98: \$19,574 Year 1: 20,766 Year 2: 21,389 Year 3: 22,031	PY 98: \$23,414 Year 1: 23,884 Year 2: 24,362 Year 3: 24,850

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
3b. Earnings Gains: The difference between earnings in the second and third quarters after exit the second and third quarter before registration for older youth. F PY 98: \$2,727 Year 1: 2,900 Year 2: 3,220 Year 3: 3,545			3b. Earnings Gains: The difference between earnings in the second and third quarters after exit and two quarters of pre-registration earnings (based on average earnings in the four quarters before registration). F PY 98: \$4,121 Year 1: 4,371 Year 2: 4,503 Year 3: 4,638		3b. Earnings Gains: The ratio of earnings during the second and third quarters after exit divided by earnings in the second and third quarter before job dislocation. F PY 98: 93% Year 1: 93 Year 2: 93 Year 3: 93

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
4. Employer Satisfaction with Former Participants: Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses to biennial survey conducted by WTECB. (Not required below the state level. Not calculated separately for youth, adults, or dislocated workers) S	4. Employer Satisfaction with Former Participants: Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses to a biennial survey conducted by WTECB (Not required below the State level.) S	4. Employer Satisfaction with Former Participants: Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses to biennial survey conducted by WTECB. (Not required below the state level.) S	4. Employer Satisfaction with Former Participants: Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses to biennial survey conducted by WTECB. (Not required below the state level. Not calculated separately for youth, adults, or dislocated workers.) S	4. Employer Satisfaction with Former Participants: Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses to a biennial survey conducted by WTECB. (Not required below the State level.) S	4. Employer Satisfaction with Former Participants: Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses to biennial survey conducted by WTECB. (Not required below the state level. Not calculated separately for youth, adults, or dislocated workers) S
PY 98: 67% Year 2: 69 Year 4: 71	PY 98: 62% Year 2: 65 Year 4: 69	PY 98: 66% Year 2: 68 Year 4: 70	PY 98: 67% Year 2: 69 Year 4: 71	PY 98: 70% Year 2: 72.5 Year 4: 75	PY 98: 67% Year 2: 69 Year 4: 71

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
4b. Employer Satisfaction: Employer satisfaction with services they directly received as evidenced by responses to survey questions after service completion. (Not calculated separately for youth, adults, or dislocated workers.) F PY 98: 59 out of 100 Year 1: 61 Year 2: 63 Year 3: 65			4b. Employer Satisfaction: Employer satisfaction with services they directly received as evidenced by responses to survey questions after service completion. (Not calculated separately for youth, adults, or dislocated workers.) F PY 98: 59 out of 100 Year 1: 61 Year 2: 63 Year 3: 65		4b. Employer Satisfaction: Employer satisfaction with services they directly received as evidenced by responses to survey questions after service completion. (Not calculated separately for youth, adults, or dislocated workers.) F PY 98: 59 out of 100 Year 1: 61 Year 2: 63 Year 3: 65

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
5. Participant Satisfaction: Percentage of former participants who report satisfaction with the program as evidenced by survey responses 6 to 9 months after leaving the program. (Not required below the area level.) S	5. Participant Satisfaction: Percentage of former participants who report satisfaction with the program as evidenced by survey responses 6 to 9 months after leaving the program. (Not required below area level.) S	5. Participant Satisfaction: Percentage of former participants who report satisfaction with the program as evidenced by survey responses 6 to 9 months after leaving the program. (Not required below the area level.) S	5. Participant Satisfaction: Percentage of former participants who report satisfaction with the program as evidenced by survey responses 6 to 9 months after leaving the program. (Not required below the area level). S	5. Participant Satisfaction: Percentage of former participants who report satisfaction with the program as evidenced by survey responses 6 to 9 months after leaving the program. (Not required below the area level.) S	5. Participant Satisfaction: Percentage of former participants who report satisfaction with the program as evidenced by survey responses 6 to 9 months after leaving the program. (Not required below the area level). S
PY 98: 94%	PY 98: 96%	PY 98: 86%	PY 98: 89%	PY 98: 91%	PY 98: 87%
Year 1: 94	Year 1: 95	Year 1: 86	Year 1: 89	Year 1: 91	Year 1: 87
Year 2: 94	Year 2: 95	Year 2: 86	Year 2: 89	Year 2: 91	Year 2: 87
Year 3: 94	Year 3: 95	Year 3: 86	Year 3: 89	Year 3: 91	Year 3: 87

Youth		Adults with Barriers		Adults	
WIA Title I-B Youth	Secondary Vocational Education	Adult Basic Skills	WIA Title I-B Adults	Postsecondary Vocational Education	WIA Title I-B Dislocated Workers
5b. Participant Satisfaction: Participant satisfaction with services as evidenced by responses to survey questions. (Not calculated separately for youth, adults, or dislocated workers.) F PY 98: 75 of 100 Year 1: 75 Year 2: 75 Year 3: 75			5b. Participant Satisfaction: Participant satisfaction with services as evidenced by responses to survey questions. (Not calculated separately for youth, adults, or dislocated workers.) F PY 98: 75 of 100 Year 1: 75 Year 2: 75 Year 3: 75		5b. Participant Satisfaction: Participant satisfaction with services as evidenced by responses to survey questions. (Not calculated separately for youth, adults, or dislocated workers.) F PY 98: 75 of 100 Year 1: 75 Year 2: 75 Year 3: 75

C. Local Area Performance

1. Strategic and Operational Performance Indicators

The local workforce development councils will use performance indicators for strategic planning for the area's workforce development system as a whole and operationally in their role as overseers of WorkSource and WIA Title I-B.

For strategic planning purposes, the State Workforce Board will provide local councils with performance of area programs on the common and core indicators discussed in this chapter. These performance results should inform local councils of program strengths and areas for improvement. The results will also be available to participants and stakeholders in the system. Local strategic plans will contain strategies to effect these improvements.

Under WIA, the local councils are directly responsible for the performance of WorkSource operators and WIA Title I-B. The most critical indicators of performance will be the state and federal core indicators identified in this chapter.

2. Expected levels of performance on core program indicators

Each local area will have expected levels of performance on each of the state and federal core indicators for WIA Title I-B. The local council, the Chief Local Elected Official(s), and the Workforce Board (on behalf of the Governor) will review data on the area's past performance and negotiate an agreement on what the levels of performance should be for each of the first three years of the plan period (the "adjusted levels of performance. The plans that local areas submit to the state for final approval include "adjusted levels of performance" that the three parties agree to and the rationale for the levels.

3. Adjusting for Local Conditions

The expected levels of performance for local areas depend in part on local economic and other conditions and the demographic characteristics of participants served. In order to adjust expected local levels of performance for such factors, the Workforce Board will use economic and demographic data provided by ESD in negotiating adjusted levels of performance with local councils and elected officials.

During the first year of the plan, it is expected that the Board will develop a multiple regression model for adjusting for local conditions. Before performance-based interventions are applied, such a model will be used to take into account changes in local conditions that affected performance.

D. WorkSource Performance

1. Participant Population

Local councils will also use performance information in overseeing the area WorkSource system. WorkSource participants include individuals and employers who receive services through a WorkSource Center or an affiliate site providing services funded under WIA Title I, WIA Title III (Wagner-Peyser), the federal Welfare-to-Work program, or the state's WorkFirst program's employment related services. In addition, participants in other programs will be counted for a particular service when the program dedicates resources for that service to WorkSource. Together, these populations will be considered the WorkSource participant population for purposes of accountability.

2. Staff-Assisted Services

For services that are staff-assisted participant outcomes will be measured for each of the state indicators. Participants must register for these services. The Workforce Board will supply each local council with the results on as many of the common indicators as possible, and on all of the state and federal core indicators listed for WIA.

3. Self-Service and Information Only

There are separate performance indicators for self-service and information only services, and to measure the utilization of WorkSource. These indicators are:

Labor Exchange Efficiency

- Average and median duration of unemployment for those receiving unemployment insurance
- Percentage and variety of job orders listed with WorkSource
- Number and percentage of employers using labor exchange services within the area
- The percentage of total workers using WorkSource services within the area
- The percentage of unemployment insurance beneficiaries using WorkSource services in the area, other than labor exchange registration.

WorkSource System Development

- Customer perception of seamlessness
- Number of "hits" on electronic sites by individuals
- Number of "hits" on electronic sites by employers, and their extent of repeat use and rate of use

- Staff perception of integration
- Number of students, schools, and colleges that are WorkSource participants.

Self-service is critical to the success of WorkSource. If WorkSource is going to provide service to a substantial portion of the state's workforce and employers, then it must be through self- as opposed to staff-assisted service. The Workforce Board and ESD will work with local areas to further develop self-service measures and measures of all the WorkSource indicators. In addition to the above indicators, the customer satisfaction of self-service participants will be measured. It is expected that all the measure protocols will be fully developed during the first year of this plan.

4. Expected Levels of Performance

During the second year of the plan, first year performances will be measured. These measurements for the state and federal core indicators will provide baseline data for the identification of expected levels of performance. Local councils, chief local elected officials, and the Workforce Board will use this baseline data to negotiate and reach agreement on expected levels of performance, beginning with participants who exit during the third year of the plan.

E. Training Provider Level

1. Training Provider Performance

During the initial year of the plan, entities eligible to provide training funded by WIA Title I-B will be those entities grandfathered in under the Act, and providers that meet the criteria that have been in place for the JTPA system.

Public community and technical colleges and universities, registered apprenticeship programs, as well as private vocational schools licensed by the Workforce Board, the Higher Education Coordinating Board, the Department of Licensing, or a comparable agency within another state are presumed eligible. Also, private colleges and universities that are eligible to receive federal funds under Title IV of the Higher Education Act of 1965 are presumed eligible for Title I-B funding. For all other training providers, the local Workforce Development Council must determine that the training provider is qualified for inclusion on the list of eligible training providers. Elements that may be considered include: financial stability, quality of instructors and administrators, quality of the facilities and training equipment, curriculum, cost, rate of student certification for a trade, job placement, wage rate at placement, and completion rate.

For the initial year of eligibility, training providers that want to be eligible to provide WIA Title I-B funded training must submit the performance information and program cost information required by the Local Workforce Development Council in the area. Local Councils will determine initial eligibility based upon the local criteria (including compliance with the American Disabilities Act), and place providers that satisfy the criteria on a list submitted to the State Workforce Board and ESD. The local councils will also forward to the State relevant performance and cost information. The Workforce Board, working with ESD, will ensure that the areas' eligible provider lists are compiled into a single statewide list for dissemination through the WorkSource system.

During the second and subsequent years, provider eligibility will depend on meeting new performance standards. By no later than April 1, 2001, the Workforce Board (on behalf of the Governor) will identify performance levels that must be achieved in order for a provider to be eligible to receive WIA Title I-B "individual training accounts." The measures used for these standards will be consistent with the measures required under the Act.

The Workforce Board is currently collecting data on training provider performance and by the middle of the second plan year will have two years of data for most providers. This data will serve as baseline information for the setting of standards. Training providers that meet the standards and want to place a course of study on the list of eligible providers will apply to the local council for approval. The local council may require performance levels that are in addition to the state criteria. The Workforce Board and ESD will ensure the dissemination of the state list of eligible providers.

2. "Consumer Report System"

By July 1, 2000, the state will have in place a "consumer report system" of training provider progress and results as well as course descriptions. This information will be presented in an electronic format that is easy for customers to access and use. The website with the consumer report information will be hosted by the state's electronic labor information system—Washington's Interactive Labor Market Access (WILMA).

The consumer report system will present information on individual programs of study at individual institutions; for example, the network administrator program at college x. Information will include student characteristics, employment and earnings of former students, and where to learn more about the program.

II. Performance-Based Consequences

A. System Level

WIA authorizes incentive funding for states that exceed the “adjusted levels of performance” in WIA Title I, adult education and family literacy, and vocational education. The amount expected to be available to a state will be in the range of \$750,000 to \$3 million. A state that achieves 100 percent on the average for all the federal core indicators for each program will be considered to have exceeded the “adjusted levels of performance,” so long as performance does not fall below 80 percent on any indicator.

If Washington receives such an incentive award, the Workforce Board will allocate the funds to local areas that exceeded their expected level of performance in these programs. Washington will use the same 100 percent formula for determining whether or not areas have exceeded their expected levels of performance, except that Washington will include performance on the state core indicators as well as the federal core indicators. While the local councils may use the funds for any purpose authorized under any of the acts, the funds must be used for system-building activities, not activities that pertain only to a particular program, i.e., WIA Title I-B, Adult Education and Family Literacy, or Vocational Education.

B. Program Level

For WIA Title I-B, the State will earmark a portion of the state set-aside to reward local areas that exceed 100 percent of the average of the expected levels of performance for the state and federal core indicators. ESD will allocate these funds to local areas.

If the state fails to meet the “adjusted levels of performance” on the federal core indicators for WIA Title I-B for two consecutive years, the Department of Labor (DOL) will withhold up to five percent of the state’s WIA Title I-B funds. DOL will consider states to have failed to meet the levels if performance on any indicator falls below 80 percent of the target for that indicator.

If a local area fails to achieve 80 percent average performance across the state and federal core indicators for WIA Title I, ESD will require the local council to submit either a performance improvement plan or a modified local plan to the State. If such failure continues for a second consecutive year, the Governor may require the development of a reorganization plan. If the state is sanctioned by DOL for poor performance, ESD will withhold a proportional amount of funds from local areas based on their average performance across the state and federal core indicators.

To be eligible to receive funding under WIA Title I-B, beginning July 1, 2001, all training providers must meet the performance standards established by the State Workforce Board and local workforce development councils. If a training provider fails to meet the standards for any one year, the provider will not be an eligible provider of WIA Title I-B funded training for the year beginning the first quarter after the substandard performance is reported.

For vocational-technical education, the state vocational-technical education plan, authorized under Carl Perkins, will identify funds to be used as incentive dollars to reward strong performance. There will be two separate pots of money—one fund to be administered by the State Board for Community and Technical Colleges (SBCTC) for the postsecondary vocational-technical education and one fund to be administered by the Office of Superintendent of Public Instruction (OSPI) for the secondary vocational-technical education. These agencies will allocate the funds to, respectively, colleges and school districts with strong performance as measured by the state and federal core indicators. The funds may be used only for purposes authorized under the Perkins Act.

Under Carl Perkins, if the state fails to meet the “adjusted levels of performance” the “state eligible agency,” which is the State Workforce Board, must develop and implement a program improvement plan in consultation with OSPI, SBCTC, and other partners. If the state fails to meet the levels of performance for a second consecutive year, the U.S. Department of Education (DOE) may withhold all or a portion of Perkins funds from the state.

If the state is sanctioned by DOE for poor performance, the Workforce Board will reduce the allocation of funds to the secondary and/or postsecondary systems proportional to the sanction and to the extent that the secondary and/or postsecondary systems contributed to the poor results.

If a college or school district is not making substantial progress in achieving the expected levels of performance, SBCTC or OSPI, on behalf of the Workforce Board, will conduct an assessment as to what is needed to overcome the performance deficiencies, approve a local improvement plan, and conduct regular evaluations of progress.

If the Workforce Board allocation of Perkins funds to the secondary or postsecondary system is reduced due to federal sanctions, OSPI and SBCTC will determine the resulting impact on school districts and colleges, respectively, and allocate the funds accordingly.

The State Plan for Adult Education and Family Literacy will identify similar performance-based interventions for adult education when the plan is next modified.

III. Measuring and Reporting Results

A. Data Collection

The Workforce Board will provide information on the results of secondary and postsecondary vocational-technical education, WIA Title I-B, work-related adult education and family literacy and other workforce development programs, and the WorkSource one-stop system to the appropriate federal agencies, state policy-makers, and local workforce development councils. To accomplish this, the Workforce Board will ensure that participant data from each of these programs and from WorkSource are collected and matched with administrative records for the purpose of measuring the common and core indicators. The Board will also conduct participant and employer sample surveys for these programs and for WorkSource, and provide area level breakdowns of the results.

The specific data source(s) for participant records for each program will be identified in the program's operating plan.

It is expected that the Customer Tracking and Accountability System (CTAS) being developed by the state's WorkSource System, whether it is an integration of the national One Stop Operating System (OSOS) or something else, will serve all the data collection needs for purpose of WorkSource participant records. CTAS will record common data elements at intake and necessary program service information, and any data required on immediate placement activities so that local WorkSource managers can effectively manage on a day-to-day basis. If OSOS is not operational by July 1, 2000, ESD will make modifications to existing information systems; e.g., SPIR and JobNet to record data required for WorkSource and WIA.

The common data elements that will be collected at intake on program participants are:

1. Date
2. First Name
3. Last Name
4. Phone/FAX/E-mail
5. Address
6. Social Security Number
7. Services Requested
8. Gender M/F
9. Limited English Y/N
10. Date of Birth
11. Disability Status: "Do you have a physical or mental impairment that:
 - a. Limits the kind or amount of work you can do at a job? Y/N
 - b. Prevents you from working at a job? Y/N
12. What is your highest grade completed?
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22+
13. What is the highest level of certification or degree you have achieved?
High school diploma; GED; some schooling after high school but no degree or certificate; vocational certificate/diploma; two year Associates Vocational degree; two year Associates Academic Transfer degree; Bachelors degree; Graduated degree; other.
14. With which racial group do you most closely identify? For selection of specific choices, use current U.S. Census elements.
15. Intake Location
16. Currently Employed: Y/N
17. U.S. Veteran: Y/N
18. Displaced Homemaker: Y/N
19. Out-of-School Youth: Y/N
20. Family Size
21. Receive Public Cash Assistance: Y/N

These common data elements, at a minimum, will be collected and recorded for all WorkSource participants who request services other than self-service or information only services.

The State Workforce Board, in partnership with SBCTC, ESD, and OSPI (the Participant Outcomes Data Consortium or PODC) has developed an information application for matching participant records with administrative records including unemployment insurance wage records, and college and university student enrollment records. Matches have also been conducted with other states' administrative records. Washington will continue to use the PODC system for measuring the performance indicators that are based on administrative record matches. The PODC system will be used to measure results at both the provider and program levels. Using the PODC matching system will ensure that common methodological protocols are used in calculating the results of workforce development programs.

For survey-based research, the Workforce Board and its partner agencies have identified a pool of common survey questions. There are two pools of questions: one for individual participants and one for employers. The questions form the content of the Workforce Board's survey research. The questions also are a pool from which other workforce development programs and agencies may draw when surveying individuals or employers about their program experience or outcomes. The use of the common questions will help to ensure consistency in survey-based research throughout the system.

Training providers that want to offer training funded through Individual Training Accounts authorized under WIA Title I-B will be required to submit cost and participant data to the Workforce Board. The Board will use the PODC system to match the participant records against other administrative records in order to measure provider performance. Provider performance will be calculated for each field of study that the provider wants to be eligible for Title I-B funding. The Workforce Board will use this data in establishing the required levels of provider performance, discussed earlier in this chapter, for providers to be placed on the list of eligible providers for WIA Title I-B funded training.

B. Quarterly Results

Quarterly results on the state and federal core performance indicators that are based on administrative records will be available for WIA Title I-B and for WorkSource each quarter. The Workforce Board will report these results to local councils and to DOL if DOL requires such reporting. These results will enable local program managers to track performance each quarter.

C. Annual Results

The Workforce Board will prepare the annual performance reports required under WIA Title I and the Carl Perkins Act to DOL and DOE, respectively. These reports will contain the annual results on the state and federal core performance indicators and other measures required under the federal acts.

D. Biennial Results

The Workforce Board will continue to publish “Workforce Training Results” every two years. This report will contain the program results on the common indicators for which data is available. The Board will present this report to the Governor and Legislature. The purpose of the report is to inform improvement in state-level policy.

E. Net-Impact and Cost-Benefit Results

The Workforce Board will conduct a net-impact and cost-benefit evaluation of workforce development programs every four years. The Board will report the results to the Governor and Legislature. The purpose of the net-impact and cost-benefit report is to also inform improvement in state-level policy.

F. Other Evaluations

The Workforce Board will periodically conduct special evaluations of workforce development activities. These evaluations will include progress reports on meeting the goals and objectives in the State Strategic Plan and assessments of the extent to which the “drivers” identified in the Strategic Plan (objectives and strategies) affect participant results.

IV. Continuous Quality Improvement

In 1997, Governor Locke issued Executive Order 97-03 on Quality Improvement. This Order directs:

Each agency shall develop and implement a program to improve the quality, efficiency, and effectiveness of the public services it provides through quality improvement, business process redesign, employee involvement, and other quality improvement techniques ...

Each agency shall evaluate the results of its quality, service and management improvement programs including, but not limited to, leadership, information and analysis, strategic planning, human resource development and management, process improvement, business results, and customer focus and satisfaction.

Consistent with the Governor’s Executive Order and WIA’s call for continuous quality improvement, the WorkSource system should widely implement quality principles. In order to be initially certified during 1999, the state required each WorkSource Center and Affiliate Site to complete a self-assessment based upon the quality categories of the Malcolm Baldrige Criteria for Performance Excellence. These categories are:

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Information and Analysis
5. Human Resource Development
6. Process management
7. Business Results

The initial self-assessment can serve as a baseline from which local areas can set goals for annual improvement. In addition to the self-assessment, WorkSource Operators were required in 1999 to sign a statement that confirms a commitment to continuous quality improvement and focus on priority areas of need.

Such quality efforts are expected to continue in the future. Under WIA, each local area must provide in its local WIA Title I-B plan, “a description of how the local board will ensure the continuous improvement of eligible providers of services through the system [the one-stop delivery system] and ensure that such providers meet the employment needs of local employers and participants.”

In order to meet this requirement, local councils are encouraged to continue to conduct annual self-assessments using a tool that utilizes the Baldrige Quality Criteria. The self-assessment process should involve all partner programs staff involved in WorkSource Centers. Measurements of the business results should include the state and federal core indicators for WIA Title I.

A critical part of quality improvement is customer focus. WorkSource Centers and Affiliates should measure customer satisfaction during the time of service and at the time of exit from service. This information should be used to improve the day-to-day operation of WorkSource.

V. Implementation Measures

The final part of the performance accountability system is implementation measures. These are measures of our progress in implementing the strategic plan. The next chapter of the plan sets forth the key goals, objectives, and strategies for the workforce development system in Washington State for the next five years. Also identified are the key measures of progress in implementing the plan. The Workforce Board will regularly report to the Governor on the implementation measures so that he may see the workforce system’s progress and hold state agencies accountable for making this plan work.

CHAPTER 5

Our vision is a workforce development system that offers every Washingtonian access to high quality academic and occupational skills education throughout his or her lifetime, effective help to find work or training when unemployed, and the personalized assistance to make progress in the labor market.

To make our vision a reality we must plan our journey carefully. We must have a clear map—a set of goals, objectives, and strategies—that will identify our destination and guide the programs of the workforce development system to help us get there. We must be held accountable for results in making progress. Finally, we must demonstrate commitment to the journey. The following chapter defines our goals, objectives, and strategies for the next five years and the critical measures of our success.

The Challenges Ahead

The last two decades have brought about a dramatic transformation in our state's economy with profound implications for the workforce. We are now living in a knowledge-based economy where the main engine of economic growth is the human mind. While the new economy has generated tremendous wealth, it has also sharpened economic disparities between the educated and the uneducated, and between urban and rural areas. Enhancing the skills of our workforce is now, more than ever, the most critical policy to ensure a productive and secure future for all Washington residents. In an age of global competition for good jobs, the places that thrive will be the places with the best educated, most innovative, and most productive people.

Recognizing the importance of a skilled workforce, Governor Gary Locke asked the Workforce Board to address three critical challenges for the state's workforce development system:

1. Closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.
2. Enabling workers to make smooth transitions so that they may benefit fully from the new, changing economy. The board shall develop a coherent strategy for dislocated and incumbent worker training.
3. Assisting disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and low-wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress should be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.

This plan sets forth our goals, objectives, strategies, and performance measures for meeting these three challenges. Meeting these challenges also requires addressing a fourth challenge: the challenge of integrating services provided by separately-funded workforce development programs so that we can provide the best possible service to our customers.

The Starting Line: What Can We Build On?

Washington already is on the way to reaching our vision.

Our Employment Security Department (ESD) is engaged in a collaborative effort with other state agencies and local service deliverers to provide employment services to employers and job seekers through a one-stop WorkSource system. This system will help us reduce duplication and improve efficiency, maximize flexibility with limited workforce dollars, and provide more accessible and user-friendly services. WorkSource will be the primary portal to Washington's workforce development system. Basic employment services such as labor market information, career counseling, and job search assistance will be universally available on-site at comprehensive WorkSource centers and affiliate sites, and through self-service over the Internet. Beyond such basic services, WorkSource will offer information about, and access to, a wide array of workforce development programs including courses at community and technical colleges, private career schools, and other training providers. Fully effective on July 1, 2000, WorkSource will be our principle strategy to better coordinate employment-related services.

Beyond WorkSource, other changes, including changes in our community and technical colleges, high schools, and welfare-to-work system, are preparing the way for continued progress in other parts of our workforce development system.

- In order to coordinate workforce development policy at the local level, local elected officials are establishing 12 Workforce Development Councils. These councils will develop local strategic plans, coordinate local workforce development activities, link activities at the local level with economic development strategies, oversee the local WorkSource system, collaborate in the development of WorkFirst service area plans, and identify quality improvements and expected levels of performance for programs.
- The State Board for Community and Technical Colleges (SBCTC) is leading the development of skill standards through a collaborative process that includes employers, workers, and educators. The Office of Superintendent of Public Instruction (OSPI) is in the process of reforming vocational-technical education program standards to incorporate workplace skills and industry-based skill standards. And sixteen community colleges are applying the Tech Prep model to provide immediate college credit for vocational-technical courses taken by students at their high schools.
- The Legislature, at the request of Governor Locke, appropriated monies to postsecondary institutions to increase capacity in high demand fields. And community and technical colleges have pooled their existing resources to develop distance learning vocational courses with a focus on high demand fields.

- The Legislature specifically earmarked funds to the community and technical colleges to retrain dislocated workers; a portion of these monies is targeted for customized, job-linked training. Dislocated workers will be able to receive additional weeks of unemployment insurance benefits while in retraining.
- The Department of Community, Trade, and Economic Development (CTED) is working through the Business Retention and Expansion Program to retain and expand manufacturing and processing firms and to reduce the number of business closures and out-of-state expansions.
- ESD administers a high quality rapid response system for dislocated workers guided by strong labor/management committees.
- WorkFirst has implemented innovative strategies to help low income workers to get jobs, retain jobs, and get better jobs, including Pre-Employment Training, Community Jobs, The Limited English Pathway, Re-Employ Washington Workers, and WorkFirst Post-Employment Labor Exchange.

But these are just some of the first steps on a long road.

Obstacles in Our Path: What Must We Overcome?

We understand many of the problems and barriers facing us as we move forward toward our vision.

Too many high school students still lack motivation and support and leave school before graduating. For those who stay, it is still too likely they will graduate from high school unprepared for entry-level work and be unaware of the education and skills required by today's employers. Many students who do not immediately move on to postsecondary education after high school spend years drifting from dead-end job to dead-end job before linking with training at a community or technical college or private career school.

Too many participants leave training programs without a meaningful credential that can convey to employers or postsecondary education what they know and are able to do. Their lack of certification that is widely accepted by a next level hinders their ability to take a nonduplicative next step.

Too often employers are forced to search in other states, or even in other countries, for technical workers they cannot find at home.

Skilled workers in the construction and manufacturing trades are retiring without enough apprentices in training to fill their jobs.

Despite the low rate of unemployment, workers are losing jobs and then experiencing difficulty in finding new employment because they lack the current technical skills required by businesses striving to remain competitive.

Among the approximately 170,000 migrant and seasonal farm workers, the median annual income is \$5,000, and the median level of educational attainment is the eighth grade. Only 38 percent of people with disabilities have full- or part-time jobs.

Women remain concentrated in occupations and industries that do not provide them with compensation sufficient to support themselves and their children or offer opportunities for advancement.

Former public assistance recipients move into employment, but too often into low wage jobs that allow little flexibility for balancing work, family, and training for advancement.

Today, unfortunately, all the following scenarios are possible:

- A young woman drops out of school or graduates without a clue as to what kind of work she wants to do or what skills she will need to get a good job.
- A worker who spent most of his life earning good money in a mill or factory that is closing learns that his skills will not get him a new job that pays anywhere near his old one.
- A company is forced to hire job applicants who lack the communication, problem solving, and teamwork skills required for a high-performance workplace. Productivity lags, and the firm is unable to take advantage of new market opportunities.

If we are to have a future where these scenarios become rare occurrences, we must take action now.

The Map for Progress: Goals and Objectives for Workforce Development

This plan sets forth 4 goals and 10 objectives to meet the challenges identified by the Governor. They are the goals and objectives that the system should work to accomplish over the next five years.

Challenge One: Skills Gap

Goal 1: To close the gap between the need of the employers for skilled workers and the supply of Washington residents prepared to meet that need.

Objective 1.1: Create private-public partnerships to enable individuals to move up job and career ladders throughout their lives.

Objective 1.2: Increase the number of young people who understand and act on career opportunities available through vocational-technical education and training programs.

Objective 1.3: Increase the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high quality workforce education and training

programs.

Challenge Two: Incumbent and Dislocated Worker Training

Goal 2: To enable workers to make smooth transitions so that they, and their employers, may fully benefit from the new, changing economy, by putting in place a coherent strategy for dislocated and incumbent worker training.

Objective 2.1: Expand customized incumbent worker training in order to increase economic competitiveness and prevent dislocation.

Objective 2.2: Enhance business expansion and retention strategies.

Objective 2.3: Establish a coherent, flexible, and accessible dislocated worker service strategy.

Challenge Three: Wage Progression

Goal 3: To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and low wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.

Objective 3.1: Keep kids in school.

Objective 3.2: Assist unemployed individuals to gain and retain employment.

Objective 3.3: Increase training for low income workers.

Challenge Four: Facilitate the Integration of Workforce Development Programs

Goal 4: To break down the walls of categorical programs so that customers receive the best possible services.

Objective 4.1: Provide one-stop service to workforce development customers.

Objectives and Strategies

In order to make progress on these goals and objectives, we must move forward quickly, taking meaningful steps. In the following section, we indicate which strategies we will pursue to meet the goals and objectives and explain why we must do so. We also identify which entities are responsible for leadership to implement the strategies. Finally, we set forth the key performance measures we will use to measure our progress and success.

Challenge One: Skills Gap

Goal 1: To close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.

Key Performance Measures:

- 1.1 The number of community and technical college students, private career school students, and apprentices prepared for work compared to the number of net job openings for workers at that education level.
- 1.2 The number of industry skill panels that are established.
- 1.3 The number of secondary and postsecondary vocational-technical students who are in programs incorporating industry skill standards.

The Issue for Goal 1: Employers cannot find enough qualified job applicants to fill job openings. Sixty-four percent of employers who attempted to hire a worker in the past 12 months had difficulty finding qualified applicants. Ninety-one percent of employers had difficulty finding qualified job applicants with job-specific skills. For example, they wanted to hire a computer technician, a carpenter, or a mechanic but they had trouble finding such applicants. Similarly, employers are having a hard time finding workers with a vocational credential. Seventy-eight percent of employers who had difficulty finding qualified applicants had difficulty finding job applicants with a postsecondary vocational diploma or certificate. An estimated 24,000 firms had difficulty finding applicants with a vocational credential, more than had difficulty finding applicants with any other type of education.

In Washington, current labor market projections indicate the greatest number of new family-wage job opportunities will be in occupations that require postsecondary education, but not a four-year degree. Over the next decade, there will be 32,000 job openings per year for technicians, paralegals, health care workers, salespeople, and other occupations requiring more than a year but less than four years of postsecondary education or training. The state's two-year colleges, private career schools, and apprenticeship programs, however, prepare only 21,360 such new workers per year. Even adding people who move to Washington from other states, there is still a shortage of about 9,450 such workers per year.

The shortage of skilled labor has limited the state's economic development. Among employers

that had trouble finding qualified applicants, 74 percent reported the difficulty resulted in lowered overall productivity. Sixty-seven percent said it reduced production output or sales, and 64 percent indicated it reduced product or service quality.

There are processes in place to enable workforce development programs to respond to employer skill needs. Vocational programs at schools and colleges have business and labor advisory committees. The community and technical colleges are partnering with industries to establish current skill standards. There is, however, no system-wide mechanism to clearly identify what employers need now and in the future and to ensure that our delivery system provides it.

Objective 1.1: Create private-public partnerships to enable individuals to move up job and career ladders throughout their lives.

Strategies:

1.1.1 Form industry skill panels to assess emerging and declining skill needs and develop training programs that meet emerging needs.

Lead Organizations: Workforce Board, Workforce Development Councils, Business Organizations, and State Board for Community and Technical Colleges.

Partner Organizations: Department of Community, Trade, and Economic Development, and Labor Organizations.

Customers: Businesses, Workers, Students, and Workforce Development Programs.

1.1.2 Provide high quality labor market information that enables programs to respond to changes in the labor market and informs students and customers about current career opportunities.

Lead Organizations: Employment Security Department and Workforce Development Councils.

Partner Organizations: Workforce Board and State Board for Community and Technical Colleges.

Customers: Students, Workers, Businesses, Workforce Development Programs, and Department of Trade and Economic Development.

1.1.3 Develop modular curricula that is linked to industry skill standards.

Lead Organizations: State Board for Community and Technical Colleges and its Office of Adult Literacy, Office of Superintendent of Public Instruction.

Partner Organizations: Private Career Schools.

Customers: Students, Workers, Businesses, Workforce Development Programs.

The Issue for Objective 1.1: In order to close the skills gap, we must have a solid foundation underlying workforce development—a basic infrastructure that can support a wide variety of industries, programs, and populations. The infrastructure must be linked to current market requirements and enable students and workers to get the skills they need when they need them.

Our state’s community and technical college system is already taking steps in this direction. SBCTC is investing in the development and implementation of industry-based skill standards. Skill standards consist of both “foundation skills” required for any industry and those “occupational skills” needed for a particular occupation or series of occupations.

Skill standards are being developed in this state through a collaborative process among educators, employers, and workers. Some of these standards, such as the information technology standards developed under the leadership of Bellevue Community College, are recognized around the nation. There are currently skill standards under development in 18 industries in Washington. In addition, curriculum, assessment, and professional development projects based on skill standards are underway in postsecondary vocational education programs and fifteen of the state's twenty-two Tech Prep consortia. Twenty of the state's School-to-Work Transition local partnerships are on the verge of implementing skill standards as the basis for student assessment, program and curriculum applications, and teacher/staff development activities. But, again, more aggressive steps are needed to make skill standards portable, applicable to more programs, and accepted within the employer community. Apprenticeship programs have long been based on skill standards that enable workers to obtain certificates which are recognized throughout the industry and across the nation.

Too many programs do not teach to widely recognized skill standards and offer a credential that is accepted by other programs and by employers. As a result, too many participants repeat lessons they have already learned on a job or in another program or complete one program without acquiring the skills required for entry into the next level of training or employment. Such inefficiencies add to the time that people spend in training and out of the workforce and divert scarce resources from other areas of need. Credential portability is critical so that workers can move up job ladders throughout their careers.

For example, across the state, many Job Training Partnership Act (JTPA) programs do not end in a widely accepted credential certifying the skills that have been mastered. When an individual completes a JTPA program and applies for a job, the employer often has no easy way of judging what that individual knows and is able to do. Similarly, for many secondary students there is no certification available of the workplace skills they have learned. Not all secondary vocational-technical education programs are articulated with postsecondary vocational-technical education.

That is, the skills and knowledge learned in the secondary program are not sequenced with what is learned in the postsecondary program. Vocational programs at community and technical colleges seldom articulate with programs at four-year colleges and universities. We need 2+2+2 programs that articulate across high schools, two-year colleges, other training programs, and four-year institutions.

When fully implemented, skill standards will be the glue that holds the training system together.

Industry partnerships must do more than specify the skill standards that are needed today. They will be a rich source of labor market information needed by program managers and faculty, workers and students. Industry partnerships can identify emerging and declining skill needs. They can supply labor market information that enables college and school staff to keep offerings current with changes in the economy, and information to keep students and workers aware of which skills they need to obtain and which skills soon may no longer provide a living.

Industry partnerships can help educators design curricula that teaches to current skill standards. In order to meet the needs of students, workers, and employers curricula must increasingly be in short-term packages. This modular training must be available on an open entry, open exit basis so that individuals can access training at the level they need when they need it. Modular training should enable individuals to advance their wages and their career plans, without spending time on relearning things they already know.

Local areas throughout Washington must examine their local economy and identify the skills associated with the critical industries and occupations in their own communities. Building on the efforts of the community and technical college system, local areas should form industry panels in critical skill clusters to assess emerging and declining skills, generate labor market information, and in partnership with colleges and schools, design modular curricula. As we will see in the next sections, local areas can use such panels for a wide variety of other strategies. Partnerships with industry, both management and labor, are an essential ingredient of many of our strategies for moving the workforce development system forward.

Objective 1.2: Increase the number of young people who understand and act on career opportunities available through vocational-technical education and training programs.

Strategies:

1.2.1 Enhance career guidance by forming partnerships with industries to market promising career opportunities.

Lead Organizations: Office of Superintendent of Public Instruction, Workforce Board, Workforce Development Councils (Youth Councils), and Business.

Partner Organizations: State Board for Community and Technical Colleges, and Labor.

Customers: Students and their Parents, Workers, Businesses, and Workforce Development Programs.

1.2.2 Develop secondary vocational-technical program standards linked to industry skill standards.

Lead Organization: Office of Superintendent of Public Instruction.

Partner Organization: State Board for Community and Technical Colleges and Department of Community, Trade, and Economic Development.

Customers: Students and their Parents, Schools, Businesses, Labor, and Workforce Development Programs.

1.2.3 Increase mentor and work-based learning opportunities for students and educators by working with the private sector.

Lead Organizations: Office of Superintendent of Public Instruction, and State Board for Community and Technical Colleges, Business.

Partner Organizations: Workforce Development Councils, Labor, and the Workforce Board.

Customers: Students, Educators, Businesses, Labor, and Workforce Development Programs.

1.2.4 Create state education policies that support work-related education.

Lead Organizations: Office of Superintendent of Public Instruction and the Workforce Board.

Partner Organizations: Business, Labor, Workforce Development Councils.

Customers: Students, Businesses, Schools, Workforce Development Programs.

The Issue for Objective 1.2: Too often students who do not immediately move on to postsecondary education after high school spend years drifting from dead-end job to dead-end job before linking with a vocational-technical training program. And many students who enroll in a baccalaureate institution never complete a four-year degree. The average student enrolling in a community or technical college vocational program is 29 years old. Only 1 percent of apprentices enter their apprenticeship directly out of high school. Because we lack an effective system to help high school students understand the nature of today's job market and adequately plan and prepare for their working futures while still in high school, a large number of our young people are underutilized as workers and unable to take their places as self-supporting adults.

At the heart of the problem is the primary message we send young people and their parents—that a four-year baccalaureate degree is the only avenue to financial success and well being. While four-year institutions of higher education are critical to our civic and economic welfare, they are not the only avenues to economic success or personal satisfaction. Only 24 percent of the net job openings in the next ten years will require a baccalaureate or graduate degree, while 39 percent of the openings will require some education or training beyond high school but not a baccalaureate degree. And 37 percent of the openings in the job market will provide an opportunity for students to learn on the job through entry-level positions that do not require postsecondary training.

As a first step in making informed choices, students and their parents need access to reliable information about the education and skill requirements of careers that interest them, what kinds of skills and jobs are in demand, and an opportunity to develop an individual plan for taking the steps needed for their futures beyond high school. Career guidance, however, needs substantial improvement. WTECB's 1997 survey of recent high school students found that only 55 percent of former students reported receiving any form of career guidance. Crisis counseling, course scheduling, or helping students prepare applications for four-year colleges are the predominant types of school counseling. The average ratio of students to counselors in Washington high schools is approximately 400 to 1.

Our research shows that women and girls generally have lower earnings than males, even after achieving the same educational credential. The difference is largely due to their enrolling in fields of study that prepare them for lower paying occupations than the fields generally chosen by men. This demonstrates the special importance of providing girls with information about career opportunities and what those opportunities pay so that they may make more informed choices about their futures and, perhaps, take advantage of training for higher wage fields.

High schools around the state are re-examining how they provide career guidance and structure their curricula to prepare students for a full range of options after high school. Career guidance models are being promoted in which students are planning for education beyond high school, whether they want to go to apprenticeship, postsecondary career preparation, or baccalaureate institutions. Private career schools give three \$1,000 tuition scholarships to every Washington high school to award to graduates seeking career training at a participating private career schools. But we need to do much more to address the labor market demand.

We need to engage in a high-level marketing campaign to sell the idea that students don't have to go to a four-year institution to secure their financial future and that it is honorable not to. This will be an uphill battle. The marketing will need to be a broad, positive, and sustained effort. It will need to concentrate on good jobs in high-tech, construction industries, and other industries and what skills are needed to get into them. Concerned employers and workers in these critical industrial sectors will need to partner with counselors, teachers, and administrators in education and training institutions to shape a positive message to students and parents about the opportunities for a sound economic future in an enhanced program of vocational-technical education. A 2+2+2 articulation model between high school and postsecondary education will need to be developed so that students can clearly see a pathway to lifelong learning with vocational-technical education as a starting point.

Throughout Washington, high schools are beginning to help all students transition from school to work and postsecondary education by organizing sequences of classes and activities that contribute to preparation for occupations of a similar kind in educational or career pathways. And students are documenting their progress in their chosen pathway through individual portfolios and by demonstrating their acquired skills through a project or projects. Secondary educators are also working to increase students' awareness of basic workplace competencies and the technical skills they will need to build a career and sustain a livable wage throughout their lifetime. Many schools are engaged in local and regional school to work consortia which provide mentoring, service, internships, and other work-based learning opportunities for students. OSPI is providing leadership for a new direction in vocational-technical education—incorporating general workplace skills and industry-based skill standards into program requirements. The “Standards Committee” of vocational-technical educators is advising OSPI in this process. Under the draft standards, to receive supplemental funding for vocational students school districts would have to provide exploratory vocational courses that require students to demonstrate workplace skills, and preparatory courses ending in certificates of competency based on industry skill standards.

As K-12 education reform moves forward, important policy decisions will be made that will have tremendous implications for whether high school students graduate with the ability to compete adequately in the labor market or not. The State Board of Education is currently examining what students need to know and be able to do beyond the Certificate of Mastery in order to graduate. It could support the concept of career pathways by ensuring that all students learn within a pathway, develop an individual plan, create a portfolio of skills acquired, and produce a senior project demonstrating those skills. They could also ensure that graduation requirements encourage proficiency in general workplace skills, including competencies related to technology, teamwork, information management, resource management, and understanding systems (i.e., the SCANS skills).

The new Academic Achievement and Accountability Commission will also have a very significant impact on the attention that K-12 educators pay to teaching workplace and technical skills. The Commission is charged to oversee the K-12 accountability system and has broad authority to adopt performance goals and establish accountability measures for Washington State schools. The Commission could closely study goals and accountability measures for secondary schools to encourage work-related learning. They could also consider measures of post-school success such as employment or enrollment in postsecondary education.

In a landmark 1978 court case, the Washington State Supreme Court set forth the following substantive definition of the Legislature's duty in Article 9, Section I, of the State Constitution to make ample provision for education of all children:

... the State's constitutional duty goes beyond mere reading, writing, and arithmetic. It also embraces the broad educational opportunities needed in the contemporary setting to equip our children for their role as citizens and as potential competitors in today's market as well as in the marketplace of ideas...[it] would be hollow indeed if the possessor of the right could not compete adequately in our open political system, **in the labor market**, or in the marketplace of ideas.
(emphasis added)

Decisions made by the State Board of Education on graduation requirements and by the new Academic Achievement and Accountability Commission on accountability measures for high schools will be critical policies to better support the preparation of K-12 students for the world of work.

Objective 1.3: Increase the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high quality workforce education and training programs.

Strategies:

1.3.1 Partner with industries to provide facilities, faculty, and equipment in high wage, high demand fields such as construction and manufacturing trades, information technology, and communications.

Lead Organizations: Office of Superintendent of Public Instruction, State Board for Community and Technical Colleges, Workforce Development Councils, Business.

Partner Organizations: Department of Community, Trade, and Economic Development, Private Career Schools, and Labor.

Customers: Students, Businesses, Workforce Development Programs.

1.3.2 Expand apprenticeship training to non-traditional fields and expand apprenticeship preparation programs.

Lead Organizations: Washington State Apprenticeship and Training Council, Department of Labor and Industries, and Joint Apprenticeship Committees.

Partner Organizations: Employment Security Department, Workforce Board, Business, Labor, State Board for Community and Technical Colleges, Private Career Schools, and Workforce Development Councils.

Customers: Students, Workers, Businesses, and Workforce Development Programs.

1.3.3 Work with institutions of higher education and other organizations involved in teacher preparation to increase the number of individuals prepared to teach in high wage, high demand fields.

Lead Organizations: Workforce Board, State Board for Community and Technical Colleges, Office of Superintendent of Public Instruction.

Partner Organizations: Business and Labor.

Customers: Students, Businesses, Workers, and Workforce Development Programs.

1.3.4 Highlight and replicate best practices in vocational-technical education across institutions.

Lead Organizations: State Board for Community and Technical Colleges and Office of Superintendent of Public Instruction.

Partner Organizations: Workforce Board.

Customers: Students, Educators, Workers, Businesses.

The Issue for Objective 1.3: Nowhere is the unmet demand for workers with technical knowledge and skills more acutely felt than in the exploding field of information technology. In 1998, Washington had more than 7,000 unfilled software industry jobs. Nearly 64,000 additional software industry workers will be needed within the next three years. The industry is exporting work to Southern California and importing 7,000 to 8,000 people per year to fill jobs here.

The scarcity of highly skilled workers is not confined to high tech industries. The construction industry is having serious difficulty recruiting workers. Seventy-three percent of construction firms reported difficulty finding qualified job applicants during the past year. A recent study conducted by the Office of Port JOBS, the Worker Center of the King County Labor Council, AFL-CIO, and the Northwest Policy Center shows that demand for construction workers in the Puget Sound is increasing rapidly, putting pressure on the region's apprenticeship and apprenticeship preparation systems. The average age of workers in many construction trades is about fifty and the average entering age is near thirty. Workers are retiring without young apprentices being trained to replace them. Apprenticeship programs are not limited to the construction trades. Apprenticeship training, including earning while learning and instruction by a skilled mentor, could be expanded to many high demand occupations.

Apprenticeship preparation programs prepare individuals to enter apprenticeships. In Washington such programs are small, and have the capacity to serve a relatively small number of participants. They operate in an uncertain funding environment and, as a result, programs move in and out of operation every year. Much of the funding is categorical, targeting specific population groups, which reduces program flexibility as well as the ability to get to a scale that can address the skill gap meaningfully.

Information technology and construction trades are just two of the many areas of the labor market where there is a shortage of skilled labor. Over 60 percent of the firms in the manufacturing, trade, and service sectors of the economy all report they had difficulty finding qualified job applicants during the past year.

Despite this demand, community and technical college vocational program capacity has remained essentially flat during the last four years. As the result of individual decisions made by students and allocation decisions made by colleges, student growth has been in academic transfer and basic skills programs, not in vocational training.

Until 1999 there was no state-level process to match capacity in postsecondary vocational education to labor market demand. For the most part, this remains true. The Legislature appropriates monies to SBCTC to fund student FTEs. SBCTC then allocates the funds to individual colleges based upon past enrollments, plus growth (if funded). Neither the Legislature nor SBCTC earmarks funding for the vocational education mission of the colleges. Funds may be used for vocational education, academic transfer education, or basic skills education. How much funding goes to each of these three mission areas is determined by the individual decisions of students and colleges. Colleges have a disincentive to offer programs in “high-wage” technical fields, several programs in these fields are expensive to start and operate due to significant investments needed in state-of-the-art equipment and instruction. It is less expensive for colleges to offer academic transfer, basic skills programs, or many of the lower wage vocational programs.

The 1999 Legislature, as requested by Governor Locke, began earmarking some education funding to meet economic demand. The Legislature appropriated monies to postsecondary institutions to increase capacity in high demand fields. The Legislature also established a grant program, matched by industry, to secondary and postsecondary institutions for information technology and computer training. In addition, community and technical colleges throughout the state have pooled their existing resources to develop distance learning vocational courses with a focus on the high demand fields of health, business, and technology.

Yet there are still a wide range of capacity issues that need to be addressed in secondary and postsecondary vocational-technical education. There is a shortage of facilities with up-to-date equipment. There is inadequate space for apprenticeship programs. Colleges and schools cannot recruit and retain the number of vocational-technical teachers needed, particularly in high demand fields. Schools and colleges salaries can not compete with earnings in the private sector in information technology, construction trades, and other high demand areas, so experienced teachers leave. The State needs to explore ways to provide sufficient compensation to attract and retain qualified faculty in high demand fields.

One place to turn to increase capacity is strong private-public partnerships. Businesses have

facilities, computers, and other equipment, and expert personnel to enhance to the public resource base. Given the constraints on public budgets, public programs need to seek out employers who can help them increase capacity to meet labor market demand. In addition, program facilities should not lie idle when they could be put to use by other programs. Facilities should be shared between programs as appropriate.

Challenge Two: Incumbent and Dislocated Workers

Goal 2: To enable workers to make smooth transitions so that they, and their employers, may fully benefit from the new, changing economy, by putting in place a coherent strategy for dislocated and incumbent worker training.

Key Performance Measures:

1. The number of incumbent workers that receive publicly supported customized training linked to specific job needs of employers and the results of the training.
2. The ratio of dislocated workers' earnings compared to their earnings prior to dislocation (with separate targets for dislocated workers from low wage and high wage jobs).
3. The length of time between worker dislocation and reemployment in a suitable job.

The Issue for Goal 2: Incumbent and dislocated worker training is part of a continuum of workforce development. By providing training to incumbent workers we will make workers and businesses more competitive and may prevent dislocations from taking place. Incumbent worker training can be seen as a strategy not only for business expansion but also a strategy for preventing dislocation.

Objective 2.1: Increase economic competitiveness and prevent dislocation by expanding customized incumbent worker training.

Strategies:

2.1.1 Establish baseline data on the extent of publicly supported, customized incumbent worker training, identify funding sources to increase customized incumbent worker training, and provide incentives to both employers and employees to increase customized incumbent worker training.

Lead Organizations: Workforce Board and State Board for Community and Technical Colleges.

Partner Organizations: Department of Community, Trade, and Economic Development, Employment Security Department, Workforce Development Councils, Private Career Schools, Business, and Labor.

Customers: Businesses, Workers, and Workforce Development Programs.

The Issue for Objective 2.1: One of the most effective ways to increase the competitiveness of employers is to provide training customized to the specific needs of employers. Because such training is designed to meet specific employer needs, it increases the training's efficiency and effectiveness. Unfortunately, Washington ranks near the bottom in per capita expenditures among the 47 states with job-linked customized training. According to a 1998 National Governors' Association survey, states spend over \$575 million per year on job-linked training, an increase of approximately 20 percent in just the one year.

Prior to this year, Washington was last among the 47 states that support this type of training, investing only \$558,000 per year in state dollars. The only state program to defray the cost of upgrading skills of current workers is the Job Skills Program (JSP), administered by SBCTC. Employers must provide a dollar for dollar match for the public funds. Little of Washington's small pot of customized training dollars is spent on upgrading the skills of incumbent workers. In comparison, other states spend an average of 52 percent of their customized training funds on incumbent workers.

For the 1999-01 biennium, SBCTC has targeted an additional \$2 million for JSP. This amount is still far below the amount spent by other states our size. Iowa, with the largest program on a per capita basis, expended \$46 million in 1997, assisting nearly 400 firms. Washington's JSP program, in the same year, helped 61.

JSP helped more firms per dollar because of the program's increasing emphasis on multi-firm projects. JSP targets opportunities to serve more than one firm at a time, and to develop customized curricula linked to skill standards. The customized curricula are then made available to other providers. The development of industry skill panels, discussed under Goal One earlier in this chapter, can help JSP to continue to move in this direction.

Besides JSP there are other public funds directed to job-linked customized training provided by the community and technical colleges. The colleges' Pre-Employment Program under WorkFirst also provides customized training linked to specific job openings. This program, however, does not offer any training to incumbent workers.

The colleges also contract with employers to provide customized training, often for incumbent workers, for a fee. According to the Workforce Board's 1999 survey of employers, 10 percent of Washington businesses have an arrangement with a community or technical college to provide

classroom training to their current workers. Except for the few firms supported through the Job Skills Program, this was contracted training paid for entirely by the firm, not supported by state dollars. We do not know exactly how much such contracted training is provided by the colleges (although survey data gives us a general picture). Such contracts are recorded by local colleges, and no central data are kept.

According to the survey results, most firms who use a community or technical college to train their current workers report they are very satisfied with the training their employees receive. Among firms who used a community or technical college for job-specific training, 48 percent were very satisfied and 45 percent were somewhat satisfied with the training. Among firms that did not use a community or technical college to train their incumbent workers, 37 percent said the cost would be too high. Among all firms that did not provide classroom training to their employees, more than 45 percent said that one reason was because the cost was too high.

Nationally, most estimates are that employers invest between 1 and 2 percent of payroll on employee training. In 1990, the U.S. Office of Technology Assessment concluded that employers spend about \$385 per employee per year on formal training. A 1995 survey of employers, by the U.S. Department of Labor, found that firms with 50 or more employees spend an average of \$300 per employee per year on formal training (not including wages paid to employees while they are in training).

As the President of the National Association of Manufacturers (NAM) stated, “For the United States to maintain its strong leadership position in a growing economy, industry must make greater efforts to prepare workers for the increasing challenges of the high-tech era. This may even require them to substantially increase the percentage of payroll that they currently invest in those activities.” The Board of Directors of NAM have called on all 14,300 member companies to invest three percent of payroll on training.

Studies have found that investments in employee training pay off in terms of increased productivity and profits. According to a 1995 study by the University of Pennsylvania, investing in the skills of workers has more than twice the impact on productivity as investing in equipment or facilities.

With a renewed sense of urgency to incumbent worker training, we must take the first step by understanding the amount and nature of publicly provided incumbent worker training that is actually occurring in our state. Then we need to examine the focus of existing programs in order to put more resources into incumbent worker training. Working closely with businesses and labor on industry panels, we must explore ways to better structure funds for skill training. We must learn about business’ reasons for selecting training providers and implications for program design, and we must learn what financial incentives will encourage more incumbent worker training.

Objective 2.2: Enhance business expansion and retention strategies.

Strategies:

2.2.1. Promote workplace practices that enhance business and worker competitiveness.

Lead Organization: Department of Community, Trade, and Economic Development.

Partner Organizations: Business, Labor, Workforce Board, Workforce Development Councils, and Workforce Development Programs.

Customers: Businesses and Workers.

2.2.2 Enhance early warning system of possible dislocations and identify business and worker needs prior to layoffs.

Lead Organizations: Employment Security Department, Department of Community, Trade, and Economic Development, and Workforce Development Councils.

Partner Organizations: Business and Labor.

Customers: Businesses, Workers, and Workforce Development Programs.

2.2.3 Market retention services to at-risk businesses and their workers.

Lead Organizations: Employment Security Department, Department of Community, Trade, and Economic Development, and Workforce Development Councils.

Partner Organizations: Business and Labor.

Customers: Businesses, Workers, and Workforce Development Programs.

The Issue for Objective 2.2: Today's businesses must be fast on their feet to survive in a constantly changing, globally competitive marketplace. Businesses wishing to expand must pursue a strategy of market flexibility and responsiveness. They must have employees who can

quickly adjust production processes. Successful companies tend to share a set of traits that collectively describe a “high-performance work organization.” These traits include: a commitment to continuous improvement; effective worker participation in decision-making at the shop floor or frontline level; a high degree of integration of technology into work processes; cross-functional teams responsible for customer service, training, problem solving, and product design; management by coaching, planning, and facilitation, rather than enforcing, and a culture that promotes high levels of informal learning among employees.

The Workforce Board and other agencies have partnered in research on how people learn on the job. The findings emphasize the importance of informal learning—learning that results more from workplace organization and activities than from formal training and professional development. Informal learning meets individual and organizational needs, including the need for employee participation in decision-making processes in high-performance work organizations. Such learning is efficient because it is embedded in organized work activities. It motivates workers because it is learned in a contextual manner that enables individuals to improve job performance and to meet personal goals. We are now turning to the next stage of translating the findings into practical tools for businesses, two-year colleges, and others.

The state must become more conscious of the role that high performance work organizations and informal learning play in enabling companies to improve productivity. We need to give companies engaged in such practices credit for the jobs they retain and utilize what incumbent worker training we do fund to promote such practices.

While we are working to upgrade the skills of incumbent workers and enhance the competitiveness of firms within critical industries, we must pay attention to businesses that are at risk of closure.

CTED’s Business Retention and Expansion program works to retain and expand manufacturing and processing firms and to reduce the number of business closures, failures, and out-of-state expansions that could result in significant loss of jobs. The program identifies threatened manufacturing and processing companies and provides problem solving and technical assistance to the firms. The program uses early warning/business surveys, keeps abreast of industry developments, and helps build the capacity of local economic development councils.

The program also focuses on business retention in rural counties. Participating counties identify their significant businesses and industries. A community taskforce develops a plan to address barriers identified by local business.

Washington State’s investment in business retention and expansion services is significantly less than the majority of states. We need to expand services to other industries in the state beyond manufacturing and processing. We also need to link these services with efforts to develop and upgrade worker’s skills and rapid response services to firms announcing impending layoffs. Again, private-public partnerships, discussed under Goal One, could facilitate the state’s business retention and expansion services and help with the linkages to workforce development.

Objective 2.3: Return unemployed workers to suitable work in as short a time as possible.

Strategies:

2.3.1 Continue best practices such as rapid response, and labor management committees.

Lead Organizations: Employment Security Department

Partner Organizations: Workforce Development Councils, Labor, and the State Board for Community and Technical Colleges.

Customers: Workers, Businesses, Workforce Development Programs.

2.3.2 Put resources up front so WorkSource front-line services are of high quality and easy for customers to use.

Lead Organizations: Employment Security Department and Workforce Development Councils.

Partner Organizations: WorkSource Partner Programs.

Customers: Workers and Businesses, Workforce Development Programs.

2.3.3 Provide retraining for high demand fields.

Lead Organizations: State Board for Community and Technical Colleges.

Partner Organizations: Workforce Board, Employment Security Department, Private Career Schools, and Workforce Development Councils.

Customers: Workers, Businesses, and Workforce Development Programs.

2.3.4 Establish a coherent, flexible, and accessible dislocated worker service strategy.

Lead Organization: Governor's Office.

Partner Organizations: Workforce Board, Employment Security, State Board for Community and Technical Colleges, Private Career Schools, Labor, and Workforce Development Councils.

Customers: Workers, Businesses, and Workforce Development Programs.

The Issue for Objective 2.3: If we are successful in upgrading the skills of incumbent workers, increasing competitiveness, and retaining firms in critical industries, we will have gone a long way to prevent worker dislocation. But worker dislocations will not disappear. Many workers will still lose jobs and experience difficulty in finding new employment at similar wages because they lack the latest skills desired by growing businesses. While unemployment in Washington has been moving downward since 1996, the number of dislocated workers has been moving upward since 1997 and that trend is forecasted to continue through 2001.

Dislocated workers (individuals terminated or laid off who are unlikely to return to employment in their previous industry because of diminishing demand for their skills) typically suffer severe negative impacts. A 1997 study of worker dislocation conducted for the Workforce Board by Westat, Inc., found that Washington workers who were dislocated around 1990 experienced a permanent loss of 15 percent of their earnings compared to similar workers who were not dislocated.

The extent of earnings loss relates directly to how long dislocated workers were with their previous employer. Long-tenured workers are more likely to experience longer spells of unemployment and their new jobs are likely to pay substantially less than their old jobs. For each year of service, earnings losses rise at a rate of between 1 and 2 percentage points. Workers who have held their job for less than a year typically regain their previous earning level, while workers who had been on their job for 20 years typically suffer a 20 to 40 percent permanent decline in earnings.

The state has continued its investment in dislocated worker training (\$57.6 million in the current biennium) through the Worker Retraining Program at community and technical colleges and private career schools. The colleges and schools provide training in basic skills and literacy, vocational education, and related or supplemental instruction for apprentices. Students who qualify for the program may receive financial assistance that can help with tuition, as well as offset the costs of child care, and transportation. The 2000 Legislature enacted the Training Benefits Program that offers dislocated workers unemployment insurance benefits for up to 74 weeks (depending on their industry) while they are in retraining. Sixty million dollars in additional benefits are available during the two fiscal years ending on June 30, 2002.

The Workforce Board/Westat study found that retraining can have a substantial positive impact on worker earnings, but this impact depends on the type of training. Training for high wage fields increases worker earnings (by an average of \$3,200 per year) while training for low wage fields typically has a negative impact on earnings. That is, if training is in low wage fields, dislocated workers are better off seeking immediate employment. Time spent in training is time spent out of the labor force where skills and experience can be gained on the job. To increase the net benefit of retraining, training should be in high wage fields and provided in as short a time as possible while still preparing workers with the skills necessary for their new careers. There must be better career counseling prior to enrollment in training so dislocated workers make better choices to sustain their level of earnings.

The major federal program for dislocated workers, Title III of the Job Training Partnership Act, becomes part of WIA, Title I-B, beginning on July 1, 2000. Washington frequently uses these federal funds in tandem with the state's Worker Retraining Program. The state dollars pay the cost of the actual skills training and related support services (e.g., child care), while the federal dollars pay for other services. Federally funded services include rapid response services to employers and workers, providing assistance as soon as pending layoffs are known. Best practices include pre-feasibility studies of options other than closures and layoffs, and the establishment of labor-management committees that bring together the resources and perspectives of both parties to planning, oversight, and problem solving. Peers can bring special knowledge and better rapport to dislocated worker counseling. Federally funded services also include job search assistance such as career counseling, classes on resume writing and job interviews, and referrals to job openings.

As we transition to the new Workforce Investment Act, we must build on current successes such as rapid response and labor management committees. We must coordinate services under the new one-stop WorkSource system so as to avoid wasteful duplication. Front-line services must be of high quality and customer-friendly. Front-line workers must be skilled in dealing with people at an emotionally traumatic time in their lives, and be knowledgeable in a broad array of state and federal programs and services. Relevant services must be provided in an efficient manner so that time out of work is not wasted. When retraining is the appropriate response, it must be provided quickly without spending time on services that are unlikely to return workers to suitable employment. Retraining must be based on industry skill standards with modularized curricula so that dislocated workers can get the new skills they need and return as productive members of the labor force. The state must have a coherent, flexible, and accessible dislocated worker service strategy. As a step in that direction, the following chart outlines general principles.

General Principles for Serving Dislocated Workers

In order to effect a coherent policy for serving dislocated workers, all state and federally funded programs that serve dislocated workers will implement consistently the following general principles across the state.

1. Prevention is the best strategy. The state's first priority is to attempt to prevent worker dislocations from occurring. Examples of specific prevention strategies include: incumbent worker training and business and job retention assistance.
2. When dislocation cannot be prevented, the State will mobilize resources as quickly as possible. The State's response will be coordinated, involve labor and management, and will be based upon best practices.
3. Frontline staff, including staff at WorkSource Centers, will provide knowledgeable and courteous services to dislocated workers. Frontline staff will be familiar with the full range of state and federal dislocated worker program options and resources and will immediately link workers with sources for further information.
4. The State will offer the highest quality labor market information, consumer reports on training providers, and other career planning information.

5. The State will use comprehensive assessments to quickly identify dislocated workers who may require intensive or training services in order to be successfully re-employed in suitable employment.
6. The State will offer dislocated workers high quality retraining in skills in high demand. The retraining will be accessible, timely, and based on industry standards.
7. Employment and education staff will collaborate in developing individual training plans.
8. The State will offer public financial assistance to help cover the living expenses of dislocated workers while they are in retraining, subject to funding and statutory restrictions.
9. Programs will be complementary, flexible, and consistent--avoiding contradictory rules, definitions and practices.

Challenge Three: Wage Progression for Low Income Workers

Goal 3: To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low-wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.

Key Performance Measures:

1. The percentage of the entering ninth grade class of common school students who graduate from high school.
2. The percentage of participants in workforce development programs whose earnings during the second year after program participation can support their family above the poverty level. (This measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole.)
3. The median increase in earnings and hourly wages during the first three years after participation in workforce development programs. (This measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole.)

The Issue for Goal 3: In designing strategies to help low income workers and youth experience wage progression (increases in wages and earnings over time), we must take into account the different populations we are serving, starting with young people.

The young people about whom we are most concerned are those at risk of dropping out of school or have already dropped out. In general, we must employ strategies that engage them in learning so that we prevent and thus reduce the dropout rate. We know that every year of education completed means a higher level of earnings, and that most family wage jobs with benefits require significant post-high school training.

For adults who are unemployed, we must apply strategies to help them get employed and to enable them to stay employed, for we know that continuous employment is usually accompanied by steadily rising wages.

For low income individuals, we know that vocational skills training increases wage progression beyond the level achieved by continuous employment alone. We must overcome financial, logistical, and access barriers that prevent disadvantaged people, including the working poor, from obtaining vocational skills training.

Objective 3.1: Keep Kids in School

Strategies:

3.1.1 Develop educational experiences that provide “hands-on” learning opportunities, such as work-based learning.

Lead Organization: Office of Superintendent of Public Instruction.

Partner Organizations: Business, Labor, and Workforce Development Councils (Youth Councils).

Customers: Students, Educators, Business, Workers, Workforce Development Programs.

3.1.2 Link “second chance” programs for youth who are out of school with the “first chance” system for youth who are in school.

Lead Organizations: Office of Superintendent of Public Instruction and Workforce Development Councils (Youth Councils).

Partner Organizations: Employment Security Department, Department of Social and Health Services.

Customers: Youth, Workforce Development Programs, and Schools.

The Issue for Objective 3.1: Too many young people never complete high school. Twenty-three percent of Washington's ninth graders drop out before their class graduates. Too many young people who want work are not prepared to find it. The 1997 unemployment rate for 16 to 19 year olds was 15.9 percent compared to the overall state rate of 4.8 percent.

As discussed under Goal One, high schools in Washington are developing the career planning skills of high school students and transforming the ways they prepare students for life after high school. As part of these changes, high schools are creating new "hands-on" opportunities for students to learn, including contextual, applied, and work-based learning experiences. Such learning includes applied academic courses that teach subjects through application to real-world situations; work-based learning through internships and co-ops; and career pathways that organize student learning through projects centered around their career goals. Evidence is mounting that such practices help to keep students in school by making education relevant and interesting. In Washington, federally funded School-to-Work Transition consortia have provided leadership and support to many of these efforts.

For students who have dropped out of school before obtaining a high school diploma, "second chance" programs can employ similar practices to re-engage young people in learning. Many community-based organizations are already doing so. Under the new Workforce Investment Act, local Workforce Development Councils will establish Youth Councils and draft plans to prevent dropouts and re-engage dropouts in learning. Services will include counseling, instruction leading to high school completion or its equivalent, paid and unpaid work experience, occupational skills training, summer youth employment, and accompanying support services. Non-profit, community-based organizations are frequently contractors for these services.

To prevent duplication and increase efficiency, "second chance" programs for youth who are out of school and our "first chance" system of high schools must coordinate efforts. Efficiencies can be obtained, for example, by coordinating their work with employers to develop work-based learning opportunities and to market promising careers. Both first and second chance systems must take advantage of current labor market information for career guidance. Many of the same local leaders who will serve on Youth Councils, might already serve on School-To-Work and Tech Prep consortia. Local Workforce Development Councils must work with their local K-12 system, their WorkSource operators, and their contractors for youth services to ensure that resources are not wasted.

Finally, it must be stressed that a high school diploma or GED alone does not generally enable an individual to obtain a family wage job. Most family wage jobs require significant postsecondary training. In developing strategies to enable disadvantaged people to achieve self-sufficiency, we must not lose sight of this basic fact.

Objective 3.2: Assist unemployed individuals to gain and retain employment.

Strategies:

- 3.2.1 Develop a more effective labor exchange to get individuals into jobs with the greatest potential for wage progression.

Lead Organization: Employment Security Department.

Partner Organizations: Workforce Development Councils.

Customers: Job Seekers, Employers, and Workforce Development Programs.

3.2.2 Remove barriers and disincentives for people with disabilities, and other populations with unique obstacles to employment.

Lead Organizations: Department of Social and Health Services, Employment Security Department, Workforce Development Councils.

Partner Organizations: Workforce Board, State Board for Community and Technical Colleges, Office of Adult Literacy, and Department of Community, Trade, and Economic Development.

Customers: People with unique obstacles to employment.

3.2.3 Take advantage of programs with demonstrated success in enabling low income individuals to achieve wage progression.

Lead Organizations: Department of Social and Health Services, Employment Security Department, State Board for Community and Technical Colleges, Department of Community, Trade, and Economic Development, Workforce Development Councils.

Partner Organizations: Workforce Board, Office of Adult Literacy.

Customers: Low income individuals and Workforce Development Programs.

3.2.4 Expand access to support services, such as child care, and other retention services.

Lead Organizations: Department of Social and Health Services, Workforce Development Councils.

Partner Organizations: Employment Security Department, State Board for Community and Technical Colleges.

Customers: Low-income individuals, Workforce Development Programs.

3.2.5 Conduct coordinated research identifying sub-populations that fail to have wage progression and the reasons why.

Lead Organizations: Employment Security Department, Department of Social and Health Services, Workforce Board.

Partner Organizations: Office of Adult Literacy, State Board for Community and Technical Colleges.

Customers: Low-income individuals, Workforce Development Programs.

The Issue for Objective 3.2: Washington's population growth is slowing. Even with continued immigration from other states and countries, labor force growth slowed to 24 percent during the 1990s. Forecasts suggest that growth in the next decade will slow to 16 percent and from 2010 to 2020 to only 8 percent. This presents Washingtonians with an opportunity and a challenge. The opportunity is that good paying jobs will become available to a wider spectrum of people than in the past. The challenge is that many of the populations that have been under-utilized in the past face unique barriers to gaining and retaining employment.

According to the 1998 Washington Population Survey, there were 617,000 adults (16 percent of Washington adults), age 21 or older, with household incomes at or below 175 percent of the poverty line. While most of these adults, 55 percent, were not employed, many were employed but in jobs that did not provide a good standard of living for them and their family.

Twenty-six percent of the net additions to Washington's workforce (people entering minus people leaving) from 1990 to 2020 are expected to be people of color. For a variety of reasons, including racial prejudice, people of color have obtained less education on average than whites and have traditionally experienced higher levels of unemployment. The percentage of people of color who are disadvantaged is near double the percentage in the whole population.

People with disabilities represent another under-utilized human resource. Approximately 450,000 Washingtonians age 16 to 64 have work-limiting disabilities. Yet, according to a 1996 survey of 2,500 Washington citizens with disabilities, many feel that their skills are unused or under-utilized. Only 38 percent of people with disabilities have full- or part-time jobs. Of the people employed part-time, nearly half say they want full-time work. About one-third of those employed say their jobs do not use their skills well. When asked what keeps them from getting jobs that better utilize their skills, survey respondents cite transportation, family responsibilities, need for help in finding a job, and limitations due to their disabilities.

Women who are single parents, and their children, also often face economic hardships. Eighty percent of all adults receiving Temporary Assistance to Needy Families (TANF) are women. Fifty-three percent of children living in poverty in Washington are in households that do not have

both parents present. To the extent that women remain concentrated in occupations and industries that do not provide them with compensation sufficient to support themselves and their children or offer opportunities for advancement, these families will continue to remain within the boundaries of poverty. Women, however, tend to enter fields of study for occupations that pay less than the fields dominated by men.

There are programs currently targeted at these special populations. The Division of Vocational Rehabilitation provides a full range of vocational services, including determining eligibility for services, assessing vocational interests and abilities, providing labor market information, developing individual employment plans, job search assistance, referrals for job training, physical and mental restoration services, and conducting follow-up services to people with significant disabilities. WorkFirst's services to TANF recipients include the Limited English Proficient Pathway that blends English-as-a-Second Language (ESL) instruction, job search, and job retention assistance.

Considering the low growth nature of our future labor force, we must pay more attention to those who are currently not in the labor force in great numbers, including the disabled community, people of color, and single-parent families. We will need to diffuse the barriers unique to each population, such as medical insurance for disabled individuals. We will need to offer culturally specific services. We will also need more research to identify more accurately the sub-populations that get stuck at the bottom of the labor market and to test strategies to increase their employability.

A first step for increasing the earnings of disadvantaged individuals is to help them gain and retain employment. Public employment services, to be offered in the future through the WorkSource system, must become more desirable and accessible to employers and job seekers. WorkSource must become a place that employers turn to find their best job applicants. Those changes in the labor exchange are emerging as we integrate employment services into the one-stop WorkSource system.

Gaining and retaining employment are often a difficult first step for individuals at the bottom of the labor market. They often have problems coping with the balance of family and work—their work is often sacrificed if a domestic crisis arises. They often need help with transportation and childcare. They often lack basic literacy and life management skills. They often have substance abuse problems, and too often suffer from the trauma of domestic abuse or homelessness.

Under our state's WorkFirst program there are many strategies now in place to assist disadvantaged individuals with gaining and retaining employment. Support services are provided to facilitate employment, including childcare, transportation, and other employment-related expenditures. The Community Jobs program arranges for jobs in government and community-based organizations. The WorkFirst Post-Employment Labor Exchange (WPLEX)

program assists with job retention and progression through career guidance, referrals, and other services over the telephone. The Re-Employ Washington Workers program assists low-income individuals who have lost their jobs to quickly regain employment. The Limited English Proficient Pathway blends ESL instruction with job search assistance, work, or work-like activities. Finally, Washington has been the most successful state in the nation in increasing the number of low income workers receiving the federal Earned Income Tax Credit which enables many low income workers to have income above the poverty level.

As we move forward, we must continue to expand the strategies that work to enable disadvantaged people to gain and retain employment. We must also coordinate these services with the new one-stop WorkSource system. WorkSource will be the system for providing employment related services through Workforce Investment Act Title I, the Employment Service, the federal Welfare-To-Work Program, and the state's WorkFirst program, among other programs. WorkSource will be critical to ensure that services of these programs are well coordinated. Similarly, the new local Workforce Development Councils will collaborate in the development of the WorkFirst service area plans, and include the workforce development components of the WorkFirst service area plan in the 11 local unified plans. Again, this united effort should improve coordination and efficiency and reduce duplication of employer contacts.

Objective 3.3: Increase training for low income individuals.

Strategies:

3.3.1 Expand customized training, apprenticeship preparation and apprenticeship programs, and other training opportunities for low income individuals.

Lead Organizations: State Board for Community and Technical Colleges, Employment Security Department, Workforce Development Councils, Washington State Apprenticeship and Training Council, Joint Apprenticeship Committees.

Partner Organizations: Workforce Board, Department of Social and Health Services, and Private Career Schools.

Customers: Low-income individuals, Workforce Development Programs.

3.3.2 Provide training programs at times and locations that are accessible to working people, including workplaces, and support with on-site child care and other services.

Lead Organizations: State Board for Community and Technical Colleges.

Partner Organizations: Department of Social and Health Services, Employment Security Department, Workforce Development Councils, Department of Trade and Economic Development, Office of Adult Literacy.

Customers: Low income workers, Workforce Development Programs.

3.3.3 Create and offer incentives to employers and low income workers to increase training.

Lead Organizations: Employment Security Department, Workforce Development Councils, and Department of Social and Health Services.

Partner Organizations: Workforce Board, Department of Community Trade and Economic Development.

Customers: Low income workers, Businesses, Workforce Development Programs.

3.3.4 Increase basic skills instruction in the workplace and integrate it into vocational training.

Lead Organization: State Board for Community and Technical Colleges' Office of Adult Literacy.

Partner Organizations: State Board for Community and Technical Colleges, Employment Security Department, Department of Social and Health Services, Workforce Development Councils.

Customers: Students, Low-income Workers, Businesses, Workforce Development Programs.

3.3.5 Develop and offer workforce development programs that are responsive to the unique needs of migrant and seasonal farm workers and other agricultural workers.

Lead Organization: Employment Security Department, State Board for Community and Technical Colleges/Office of Adult Literacy.

Partner Organizations: Employment Security Department, Workforce Development Councils, State Board for Community and Technical Colleges/Office of Adult Literacy, Migrant Farm Worker Organizations, Labor.

Customers: Migrant Seasonal Farm Workers, Other Agricultural Workers, Business.

The Issue for Objective 3.3: Programs and strategies to enable economically disadvantaged people to gain and retain employment are a necessary step toward wage progression. Wage progression normally occurs for individuals who stay continuously employed. This is particularly true for individuals in their twenties and thirties.

But in order to get increases in wages and earnings beyond the level achieved normally by low income workers who stay employed, vocational skills training is necessary. As concluded by Gary Burtless of the Brookings Institution, training in occupational skills is the only program strategy that has been proven to have a positive net impact on wage progression. Not that vocational skills training always works. It doesn't. Vocational skills training, however, is the only strategy that does work.

The Workforce Board's own research supports this conclusion. Our net impact evaluation of the JTPA program for disadvantaged adults found that employment services, without occupational skills training, were successful in increasing the number of people employed. The employment, however, was in jobs with lower hourly wages and earnings than the jobs held by a comparison group of similar individuals who were not in the program. In contrast, program participants who received vocational training at a community or technical college experienced wage and earnings gains substantially above their comparison group of similar individuals. This finding does not say that vocational training is the right strategy for all disadvantaged people. Not all economically disadvantaged people are in a position that allows for success in a training program, due to substance abuse, very limited basic skills, or other extreme barriers. This finding points out, rather, the importance of enabling individuals who can succeed in vocational training to have access to it.

An important distinction lies in the term "vocational" or "occupational skills training." The positive impacts that the Workforce Board, Dr. Burtless, and others have found have been from programs in vocational skills training, not in programs offering basic or general education without occupational skills training. (The lumping together of research on the results of education and training programs may be one reason why there may be confusion as to the effectiveness of occupational skills training for poor people.) Only when basic skills instruction is coupled with occupational training does it generally have a positive impact on employment and earnings.

We face a daunting challenge in providing real access to vocational skills training for the working poor. These are often individuals who have a difficult enough time working and taking care of a family at the same time, without also going to school. Our wage progression strategy cannot be passive—we must actively pursue potential customers and make training and other services available that respond to the needs of working people. The WPLEX program has started this process, contacting all WorkFirst clients who have gone to work to offer them services to help them advance, including referrals to training providers. The Pre-Employment Training program offers up to 12 weeks of customized job training at a community or technical college for particular job openings.

To take the next steps, we must make more training programs available at convenient hours and

locations for working people. We must provide child care and other support services at times and places where parents are going to school. We must offer training using modular curricula and that is open-entry and open-exit so that workers can receive training in “doable” doses. The Job Ladder Partnership at Shoreline Community College provides a promising model. It helps students identify a career pathway within firms or collaborating firms, identifies the educational opportunities available, uses entry-level jobs as a pathway toward earning a family-wage living, offers training in shifts, and provides work-related adult basic education. In addition, we must increase customized training for people at work. We must expand apprenticeship preparation and apprenticeship opportunities. We must provide financial incentives to both employers and employees for vocational skills training so that both can afford it. Other states are experimenting with such ideas as individual training credits, tax credits to employers, income support for time spent in training, and financial aid for part-time enrollment.

We must offer training and related support services that are responsive to the unique needs of particular populations, such as people of color, refugees, women, and people with disabilities. Only 13 percent of the participants in state-approved apprenticeship programs are women, and many apprenticeship programs have no female participants. Apprenticeship and Non-Traditional Employment for Women, Columbia Industries, and other providers specialize in apprenticeship preparation and other nontraditional employment and training opportunities for women. Farm workers have particular needs that must be addressed. Among the approximately 170,000 migrant and seasonal farm workers, the median annual income is \$5,000, and the median level of educational attainment is the eighth grade. We must develop training programs that respond to the unique characteristics of the farm worker population, including the seasonal nature of their work.

The innovative strategies of Washington’s WorkFirst program provide a good start in helping poor people gain and retain employment. We must now take the next steps to help low income workers have wage progression.

Challenge Four: Facilitate the Integration of Workforce Development Programs

Goal 4: To make the vision of WorkSource a reality so that workforce development programs are customer-friendly, broadly accessible, and fully committed to Continuous Quality Improvement (CQI).

Key Performance Measures

1. The percentage of total employers using WorkSource.
2. The percentage of total workers using WorkSource.
3. WorkSource customer perception of seamlessness as evidenced by survey responses.

The Issue for Goal 4: There are twenty different programs in the workforce development system

and 27 other related programs. Each program was established to fulfill certain purposes for certain populations of customers. In most cases, these purposes and eligible populations are specified by state or federal statute. Rules established by agencies provide greater specificity to guide staff in carrying out the programs. Although these program designs may make sense in and of themselves, when viewed in combination, they often create a dizzying array of government services to the customers they are intended to serve. In order to effectively meet the challenges set forth by the Governor, we must remove or transcend these barriers to customer service.

Objective 4.1: Provide one-stop service to workforce development customers.

Strategies:

4.1.1 Establish WorkSource as the common entry point for the state's workforce development programs.

Lead Organization: Employment Security Department, Workforce Development Councils.

Partner Organizations: WorkSource Partner Programs, Business and Labor organizations.

Customers: Job Seekers and Employers.

The Issue for Objective 4.1: As discussed earlier in this plan, WorkSource is Washington's emerging one-stop system for workforce development programs. By July 1, 2000, there will be comprehensive WorkSource Centers in each of the 12 areas of the state. These centers and their affiliate sites will offer access to at least 12 different workforce development and related programs. In addition, customers will be able to "serve themselves" via Internet-based services. Customers coming to WorkSource, either in-person or electronically, will find a menu of employment and training options from which to choose the right path for them. While these options will still be funded by separate program silos, the customers should not be aware of this. The different services should be accessible as though they were funded from a single program. That is the goal—to make the walls between categorical programs invisible to the customers.

While WorkSource is already emerging, we still have a long way to go. We must knock down categorical thinking. We must think of the workforce development programs as a system, and act as if they were a system. We must face up to hard decisions regarding shared resources and shared accountability for results. If we are to meet the challenges presented by the skills gap, transitions for incumbent and dislocated workers, and wage progression for low income individuals, we must move beyond programmatic approaches. We must break down the walls of categorical programs so that customers receive the best possible service.

The State's plan for implementation of the Workforce Investment Act spells out in more detail our intended actions to establish WorkSource as a statewide system; furthermore, as additional strategies are identified they will be included here.

Endnotes

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- ² “1999 Long-Term Economic and Labor Force Forecast for Washington,” Washington State Office of Financial Management and Washington State Employment Security Department, 1999, p. 37.
- ³ *Ibid.*, p. 38.
- ⁴ *Ibid.*
- ⁵ Washington State Employment Security Department, 1998.
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- ⁸ 1998 Washington State Population Survey, Washington State Office of Financial Management.
- ⁹ Based on data collected from the WTECB’s employer survey, *Workforce Training Needs and Practices of Washington State Employers*, 1999.
- ¹⁰ “The Truth About the American Worker,” *Fortune*, May 4, 1992, p. 54.
- ¹¹ “1999 Long-Term Economic and Labor Force Forecast for Washington,” Washington State Office of Financial Management and Washington State Employment Security Department, 1999.
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- ¹⁵ “Has the ‘New Economy’ Rendered the Productivity Slowdown Obsolete?” Robert Gordon, paper presented at the CBO Panel of Economic Advisors, June 2, 1999.
- ¹⁶ Bureau of Labor Statistics, 2000. Productivity refers to output per hour in the nonfarm business sector.
- ¹⁷ “Has the ‘New Economy’ Rendered the Productivity Slowdown Obsolete?” Robert Gordon, paper presented at the CBO Panel of Economic Advisors, June 2, 1999, p. 1.
- ¹⁸ “The New Economy: Work in Progress,” *The Economist*, July 24, 1999, 21-24.
- ¹⁹ “Study Ties Educational Gains to More Productivity Growth,” Peter Applebome, *New York Times*, May 14, 1995.
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- ²¹ Information from the website of Software Technology Park, Bangalore, India, July, 1998.
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²⁴ The survey, entitled *Workforce Training Needs and Practices of Washington State Employers 1999*, was administered to firms with two or more employees covered by unemployment insurance.

²⁵ The Puget Sound region includes Snohomish, King, and Pierce counties.

²⁶ The Western Balance includes Island, San Juan, Skagit, Whatcom, Clallam, Jefferson, Kitsap, Grays Harbor, Lewis, Mason, Pacific, Thurston, Clark, Cowlitz, Skamania, and Wahkiakum counties.

²⁷ High-tech includes biotechnology; computers and computer equipment; computer programming, software, and maintenance; electronics; precision equipment and instruments; telephone communications; research and testing.

²⁸ Other, not elsewhere classified, includes transportation and public utilities, communication, gas, electric and sanitary services, finance, insurance, real estate, and public administration.

²⁹ WTECB Survey, *Workforce Training Needs and Practices of Washington State Employers 1999*.

³⁰ The estimated supply includes the following: community and technical college and private career school students who obtain academic associates degrees, vocational associates degrees, and vocational certificates from programs lasting one year or longer; persons who completed apprenticeship programs; cosmetology school graduates; and, in order to derive a conservative estimate of the skill gap, community college students who left their programs without completing, but who had completed 45 credits. The number of community and technical college graduates was adjusted to exclude those who transfer to four-year schools and those who already had appropriate degrees. We adjusted the supply figures by labor force participation rates in order to take account of the fact that some graduates exit, or fail to enter, the labor market.

³¹ WTECB Survey, *Workforce Training Needs and Practices of Washington State Employers 1999*.

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⁵⁰ Washington State Migrant Council, 1998.

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⁵² “Adult Literacy in Washington, Educational Testing Service,” 1994, p. 68.

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⁵⁴ Estimated from data collected as part of the “Workforce Training Results—2000,” Workforce Training and Education Coordinating Board, forthcoming.

⁵⁵ Department of Social and Health Services, 1998.

⁵⁶ Refers to children age 18 and younger living in households that have incomes below the federal poverty line. Estimate is based on 1998 Washington Population Survey data.

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